

CHAPTER – I
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CHAPTER - I INTRODUCTION

1.1 CO-OPERATIVE MOVEMENT IN WORLD -

Germany is the birth-place of co-operative credit movement in the world. In India, the inspiration for the co-operative movement came largely from Germany. Frederick Nicholson, who was sent to Europe to study the working of agricultural banks and suggest measures for the introduction of co-operative movement in India, based his recommendations mostly on the pattern of credit societies in Germany.

It was during the middle of the nineteenth century, when famine, poverty, exploitation and indebtedness were prevalent in Germany that gave birth to the new idea of co-operative movement in that country. The poor farmers and laborers of the country were heavily under debt and were otherwise also greatly exploited by the moneylenders. Mostly the trade was in the hands of the Jews and the farmers bought their requirements as well as sold their produce through this class. The result was an extreme poverty among the laborers and farmers. It is reported that almost every house and farm land was encumbered with debt. To add to this misery famines occurred frequently and break the backbone of the poor. It was under such conditions that two pioneers H. F. Schulze and Herr F. W. Raiffesien, both well known personalities in the co-operative field, moved by the miserable conditions of farmers and laborers started making experiments with various methods of relief.

1.1.1 Schulze Banks

H.F.Schulze was a mayor of Delitzeh and was also a Chairman of the Famine Commission. In 1849, he founded his friendly society of shoe makers with the object of making purchase of raw material in bulk and supplying it to members. In 1850 he founded his first credit society in his native town. At the time of his death in 1883, there were 1926 Popular Banks.

1.1.2 Raiffeisen Banks

He is one person to whom the co-operative movement owes the maximum. His appointment as a Mayor of Weyberbuch brought him in touch with the poverty –stricken peasants on the one hand and the greedy money-lenders on the other.

The work of Raiffeisen was not as smooth as it looks now. The illiterate people looked upon this work with suspicion. He, however, never lost heart in the service of the poor. He laid the maximum stress on the moral aspects of the working of societies and the concept of self-help, mutual help, social equality, non-profit motive, joint liability all emanated from his teaching.

Then the co-operative movement spread to the other parts of the world.

1.2 Co-operative movement in India

The co-operative movement in India may be said to have begun with the passing of the Co-operative Societies Act of 1904. The idea of starting co-operative societies in India for combating rural indebtedness and supplying rural credit on a cheaper rate was first given by Frederick Nicholson. Madras civilian in 1895 who was appointed by Madras Government to enquire into the possibilities of starting a system of land banks in that state. He strongly advocated the introduction of co-op credit societies into India. The same idea was advocated by Dupernex in his book. 'Peoples' Bank for Northern India' (1900). The Famine Commission (1898) strongly advocated the idea of co-operation for Indian agriculturist. It was in pursuance of this Commission's report that in 1901 a committee was appointed by Lord Curzon under the chairmanship of Edward Law. On the recommendations of this Committee the First Co-operative Credit Societies Act was passed in 1904.

The Act provided for the formation of credit societies only and postponed all other forms of co-operation because of the difficulty involved in the formation of non-credit societies due to backwardness of the Indian population.

Under the Reform Act of 1919 co-operation became a provincial subject as was put under the charge of a Minister. Various states passed their own Co-operative Acts to suit their own needs. During the war various postwar plans were drawn up in the country and they all emphasized the increasing role of co-operative movement.

1.3 Co-operative Sugar Factories in India

One of the most powerful developments in the field of co-operative processing has been the rapid establishment of co-operative sugar factories in the country whose number increased from 2 in 1950-51 to 41 in 1960-61, and 190 in 1975-76.

The first co-operative sugar factory was set up in 1933 after the sugar industry was granted protection in 1932. Upto 1935 four sugar factories were set up in the co-operative sector out of which three were in Andhra Pradesh and one in Uttar Pradesh at Biswan. However, out of this four, only one sugar factory at Etikkoppka survived and is today the oldest co-operative sugar mill in India. After Independence the first co-operative sugar factory was set up in 1950-51 at Pravaranagar in Maharashtra with a capacity of 450 tonnes. It proved to be such an outstanding success that its management subsequently installed a plant at 1,450 tonnes. The example of this co-operative inspired the grower and state authorities elsewhere to promote similar organizations. The Government of India also decided to give preference to co-operative sugar mills under the Industries (Development and Regulation) Act. Out of the 210 sugar factories licensed/registered under this Act upto 31st December 1964, 57 were in the co-operative sector. " Co-

operative Sugar Factories are essentially processing societies of cane growers. Hence, their membership largely consists of primary producers of sugarcane. On 31st December 1964 the membership of 57 co-operative sugar factories was as follows: growers 2, 18,821; non-growers 9,937, co-operative institutions 10,208, and others 484, State governments 51." The grower members constituted nearly 91.0% of the total membership and supplied 90.0% of the cane crushed in 1963-64.

To the end of June 1978 the membership of co-operative sugar factories was 186, against 190 in June 1976. Out of these 186, 168 were licensed factories and of these only 128 were in production during 1977-78. "The state-wise distribution of licensed sugar factories was as follows: Maharashtra (69), Uttar Pradesh (22), Andhra Pradesh (18), Gujarat (15), Karnataka (14), Tamil Nadu (10), Haryana and Punjab (4 each), Assam, Himachal Pradesh, Kerala, Madhya Pradesh, Orissa (2 each), Rajasthan, Goa, Daman and Diu (1 each). The membership of all the co-operative sugar factories at the end of 1977-78 consisted of 17,947 societies and 10.81 lakhs individuals of which grower members constituted 10.52 lakhs." The total working capital of the 186 sugar factories was Rs. 1,157 crores and the total paid-up share capital about Rs.200 crores. The Government share capital contributions to these factories increased from Rs. 54 crores in 1975-76 to Rs. 110 crores in 1977-78. The total outstanding borrowings from the apex co-operative banks were Rs. 238 crores and the balance were from Industrial Finance Corporation of India, and Commercial Banks including State Bank of India and others. The consortium of the central financing institutions viz., Industrial Finance Corporation of India, Life Insurance Corporation of India, Industrial Development Bank of India and Industrial Credit and Investment Corporation of India were providing block capital loans for the

setting up of new co-operative sugar factories, and for expanding their cane crushing capacity.

The total installed capacity of the 128 sugar factories which were working during the year 1977-78 was 1.5 lakh tones of sugarcane per day, while they crushed sugarcane to the extent of 296 lakh tonnes in that year.

The societies distributed agricultural requisites worth Rs. 10 crores during 1977-78 along with other commodities like cement, iron and steel. Some of the sugar factories granted short-term as well as medium-term loans to cane growers which amounted to Rs. 7 crores and Rs. 26 lakhs respectively in 1977-78. Production loans of the order of Rs. 79 crores were recovered by 72 sugar factories in the same year.

1.3.1 Composition of Share Capital

Share capital constitutes the base for the capital structure of the co-operative sugar factory. The share of grower members in the capital structure of the factories in the initial stage is not large. This is inevitable in view of the limited capacity of the small and medium cane growers to invest who constitute the largest membership of co-operative sugar factories. It is, therefore, necessary for these institutions to enroll non-grower individuals and co-operative societies as shareholders. The State Governments also assist co-operative sugar factories by contributing in their share capital. It is however ensured that 75% of the share capital contributed by the members other than the State Government is raised by the producer members.

1.3.2 Pattern of Financing

The financial assistance to a co-operative sugar factory of the daily cane crushing capacity of 1000 tones costing Rs. 140-150 lakhs in 1964-65 had the pattern:

	Rs.in lakh
1. Long term loans from IFCI to meet per cent of the Block Capital	90
2. Share Capital to be raised by members	25
3. Share Capital to be contributed by the State Government	25
4. Loans from LIC, SBI, Co-operative Bank, etc.	20

In this case the central assistance was available in the form of (a) guaranteeing the IFCI loans to the extent of 50% (the remaining 50% being guaranteed by the State Government), and (b) loans assistance to State Governments to enable them to participate in the share capital of co-operative sugar factories. In the latter case the State Government get long-term loans for this purpose from the National Co-operative Development Corporation. The long terms loans from IFCI are repayable in 12 annual installments. The first installment being repayable from the second year of the factory going regular production. The shares held by the State Governments are redeemable.

However, there has been some change in this pattern as seen above, and the proportion of State Government in the share capital was much more in 1977-78 than in 1964-65. It needs to be stated that "Although co-operative sugar factories have been borrowing initially about 60 to 65 percent of the block capital investment by way of long-term loans from the financing agencies, most of them are maintaining a satisfactory rate of capital formation. An interesting mechanism adopted by them for this purpose is to deduct from cane price payable to members generally at the rate of Rs.5 per ton."

As stated above the National Co-operative Development Corporation refinances the State Governments or State Co-

operative Banks for the block loans provided by them to small and medium sized co-operative processing units. Under another scheme the NCDC provides 75 percent (90 percent in case of backward State areas) of the estimated margin money requirements to co-operative processing units through the State Governments in order to enable these units to raise sufficient working capital and thus ensure better utilization of their installed capacity.

1.3.3 Management

The co-operative sugar factories are societies registered under the Co-operative Societies Act of various States, and therefore, their functioning is regulated by the normal co-operative rules and practices. However, in view of the large capital holdings by the State Governments their bye-laws invariably contain a position regarding nominations of directors. In Maharashtra and Gujarat the Board of Directors of co-operative sugar factories is elected. Although the State Government can nominate its representatives, as a matter of policy the Maharashtra Government is not nominating any representatives on the Board of Directors. In Gujarat, the number of government nominees is less than one third of the elected members in each factory.

1.4 SHSSKN, Sankeshwar

1.4.1 PREAMBLE

Shree Hiranyakesh Sahakari Sakkare Karkhane Niyamit, Sankeshwar is one of the pioneers in the Co-operative Sugar Industries in the State of Karnataka, being on the boundary of Karnataka-Maharashtra States. The idea of establishing a sugar factory in the Co-operative Sector was first originated in the minds of Late Shri Appanagouda Patil, the Chief Promoter of this factory and Late Shri M. P. Patil, the then Minister for Co-operation, Bombay state with the following prime aims and objects:

1. To uplift the rural economy,
2. To facilitate the credit facilities,
3. To facilitate thrift among the rural people,
4. To arrange and supply agricultural implements,
5. To liaison between the factory and the cane growers, and
6. To act as link between the rural people and banks.

The Industrial License No.L.8/55 dt.05.01.1955 was obtained from the Govt. of India. The Society came into existence vide Registration No. G-277 dt.10.09.1956 and the first trial crushing season commenced in the year 1961.

The area of operation of the factory extends to 141 villages in Karnataka State and 77 villages in Maharashtra State within a radius of 22 miles. Since the factory has its members both in Karnataka and Maharashtra, it is governed under the Multi-State Co-operative Societies Act.

This area was underdeveloped before the establishment of this factory. Now, following the establishment, there is lot of progress achieved which is apparent. The social status of the agricultural community has improved largely and Sankeshwar town is made visible on the Karnataka map significantly. This has resulted in recognizing the Belgaum District as "Sweet Sugar District".

1.4.2 LOCATION

The town of Sankeshwar in Belgaum District Which has been God Gifted with major rivers such as Ghataprabha, Markhandeya, Doohagange, Kirshna, Malaprabha and other small rivers like Vedganga and Hiranyakeshi. The factory is situated about one km. from Sankeshwar town in Hukkeri Taluka of Belgaum District on the quadrilateral National Highway No.4 and is easily North, about 65 kms from Kolhapur to the South, about 35 kms from Ghataprabha to the West and 15 kms from Gadhinglaj (Maharashtra) to the East. This town is surrounded

by 85 villages of Maharashtra and 248 villages of Karnataka where the main crop is sugarcane covering 47,542 hectares of irrigated Land. The factory is located on the bank of Hiranyakeshi river from where it draws the water.

1.4.3 SUGAR MILL

The factory initially started crushing at the rate of 1,250 TCD which had been a big capacity then. But, as the time passed away and the demand increased, to meet this required demand, the substantial expansions were undertaken by the factory and it crawled up to 5,000 TCD crushing capacity. Today, being the highest ever by a Sugar Factories in the State of Karnataka in the Cooperative Sector. It is needless to emphasize here that this factory has its own credibility and enjoys its own sanctity in the sugar industry today.

- (1) The first stage of expansion for increasing the crushing capacity from 1,250 TCD to 1,750 TCD commenced in the year 1965 and was completed in the year 1968. The total expenditure incurred towards this expansion was Rs. 82.02 lakhs.
- (2) The second stage of expansion from 1,750 TCD to 2,600 TCD was undertaken during 1971 and was completed in the year 1975 investing over Rs.102.56 lakhs.
- (3) The third stage of expansion scheme of 3,500 TCD was completed in 1981 and the cost incurred towards this scheme was Rs. 371.70 lakhs.
- (4) Finally, the fourth stage of expansion scheme of 5,000 TCD was completed in the year 1990 and has commenced the crushing 5,000 TCD w.e.f.13.01.1990. The expenditure incurred towards this expansion which includes the additions to the machinery, building, foundations, and erecting & other was Rs. 805.16 lakhs. This Mill has now the capability of reaching 6,500 TCD crushing rate with minor modification on the smaller Mill.

The growth of crushing rate with time is presented in the following table.

Sl. No.	Crushing Capacity in TCD	Period
1	1,250	1961-62
2	1,750	1968-69
3	2,600	1972-73
4	3,500	1980-81
5	5,000	1990-91

The above table clearly indicates that there has been a continuous increase in the cane availability, necessitating quick expansions of the plant to higher capacities. As the factory continued to enjoy good cane availability, it was felt that the factory should take full advantage of the same by balancing the plant and equipment in a manner such that it results both in increase in the average rate of crush and also improvement in overall technical performance.

The factory has got two Milling tandems namely 28 X 56 (Old Mill) and 36X 72 (New Mill). The Old Mill tandem comprises of six mills giving an output of 2,000 TCD. The New Milling tandem comprises of six Mills and a fibrizor capable of 4,000 TCD.

1.4.4 DISTILLERY:

The factory had installed its own Distillery Unit in August 1972 as a by-products industry with its capacity of 18,000 ltrs. per day. However, taking into consideration the stage wise expansion of the Sugar Mill and the excess availability of molasses, the installed capacity was later on increased to 27,000 ltrs. Which was further expanded to 54,000 ltrs of Rectified Spirit per day commencing the enhanced capacity production during the year 1982 consuming the entire quantity of molasses produced by the sugar mill. The average recovery of

sprit per MT of molasses is 265 ltrs. This Distillery Unit established at a cost of Rs.202.76 lakhs. Is now contributing its revenue of Rs.18.00 crores per annum to the sugar industry. This unit celebrated it's silver jubilee in the year 1997 and is now marching towards the Golden Jubilee Celebration.

1.4.5 ARRACK SACHETTING UNIT

Recently, vide License No. ECD.7.D&A.2004-05 dated 31.08.2004, the Excise Commissioner in Karnataka, Bangalore has so kindly granted manufacture of Arrack Sachetting and accordingly, it has installed Arrack Sachetting Unit at the factory site having installed capacity of 75 KLD and average producing 5.00 lakhs sachets of 100ml. arrack per day w.e.f. 01.09.2004

1.4.6 SPENT WASH MANAGEMENT IN DISTILLERY THROUGH RESOURCE RECOVERY AEROBIC COMPOST

Cane molasses based distilleries are the major water polluting industry. The spent wash generated from the distillation of fermenter is highly acidic with high concentration of organics.

Waste water management practices with resource to recovery implemented in the distillery. Spent wash is utilized for aerobic compost of pressmud, a bye-product from the cane based sugar mill for production of manure.

Considering the problems in the treatment and disposal of distillery spent wash on land or into surface water, spent wash management option with recourse to zero effluent discharge seems to be the most appropriate. Distillery spent wash contains potassium, phosphates and sulphates in high concentrations and in addition, calcium, nitrogen, iron, sodium and chlorides which as the essential nutrients of plants. Similarly, pressmud, a waste product generated from sugar mill also contains nitrogen, phosphorus, potassium and calcium besides organic matter and traces of sulphur.

It is a good substrate for solid fermentation as it contains sufficient organic matter and possess as the potential for

absorbing large quantity of spent wash water. It was therefore appropriate if the organics of sugar mill, press mud and distillery spent wash are supplemented to soil as an organic and nutrient additive to improve the soil fertility.

Therefore, to mitigate the problem associated with the treatment and disposal of distillery spent wash and to cope up with the ever increasing demand of organic manure to improve soil fertility, composting of pressmud by spent wash in manure production and for use in agriculture have been implemented. The spent wash management is thus implemented in the distillery incurring plant cost of Rs.210 lakhs and with annual recovery members with a subsidized rate.

1.4.7 CO-GENERATION PROJECT

The factory being the co-operative society with more than 25,000 farmer members of the local area involved in its activity and selling their produce to the factory and dependent on the sugar factory for their existence and livelihood, the creation of co-generation facility has become prime need due to socio-economic reasons. Secondly, the enormous quantity of bagasse that is generated by the factory shall be best utilized by the creation of co-generation project which will help the factory by generating and making available the power.

Further, taking into consideration the acute power shortage in the country, both on demand and energy terms and effort to generate power and augment the grid supply will be a laudable and worthy effort; the factory has been planning for setting up a 41 MW multi-fuel Co-generation Power Project at the factory site. This will enable the factory to play a significant role in supplying power to the public utility simply by increasing its operating efficiency in addition to meeting its need of power.

The main purpose of setting up this Power Project, as principal fuel, supplemented by bagasse, other bio-mass fuel and conventional fuel (as needed for maximizing utilization of

proposed power project) for at least 300 days per year. The part of the project cost shall be raised by increase in share value, a resolution for which has already been passed at an Annual General Body Meeting held on 22.09.2003 and the same have been got approved by the Government of India & Central Registrar of Cooperative Societies, New Delhi vide their Letter No.L-11013/46/87-L&M dated 5th February, 2004.

The factory, for this worthy project, has obtained all statutory / non-statutory clearances such as Karnataka State Pollution Control Board, Airports Authority of India, Environmental Clearance, In-Principal Clearance, Clearance for installation of 110 KW sub-station from the Karnataka Power Transmission Corporation Ltd. Which has already been set up now, to commence with the project.

1.4.8 ETHANOL PLANT PROJECT

1. AUTHORISED AND PAID - UP SHARE CAPITAL

The authorized share capital of the factory is Rs. 27.50 crores as stands on 31.03.2006 having share value of Rs. 5,000/- each. The membership is open to sugarcane growers under "A" class (producer members) and to co-operative societies and individuals under "B" class (non-producer members).

Initially during 1961 when the first crushing trial season commenced, the authorized share capital was Rs.19.99 lakhs under "A" class and Rs.37,500/- under "B" class with the number of share holders as 2,135 and 249 under "A" and "B" class respectively. Today i.e. as on 31.3.2006 the membership is as shown below.

**INFORMATION REGARDING MEMBERSHIP AND PAID - UP
SHARE CAPITAL**

AS ON 31.03.2006

Description	No.of Members	No.of Shares	Amount
1)'A' Class Members	23,834	27,301	790.56
2)Institutions and Individuals 'B'	785	787	8.27

Initially, the government of Karnataka had contributed Rs.25 lakhs towards the share capital of the factory under state partnership in the development of the industry which was paid in the year 1979 at one stretch.

2. RESERVES AND OTHER FUNDS: (Rs. In Lakhs)

a) Reserve Fund	225.24
b) Depreciation & Other Funds	7995.63

TOTAL: 8220.87

3. DEPOSITS:

a) Non-refundable Deposits	0.94
b) Expansion Deposits	893.53
c) Special Deposits	462.59
d) Term Deposits	494.22
e) Other Deposits	250.76

TOTAL: 2102.04

4. INVESTMENTS:

The factory has invested about Rs.1.45 crores in the Government security, share and deposits. The table showing such investment and capital investments is appended.

(Rs. In Lakhs)

a) Shares	73.17
b) Deposits	9.23
c) National Saving Certificate	0.01
D) Postal Saving	0.34

TOTAL:	<u>82.75</u>

5. CAPITAL INVESTMENTS:

(Rs. In Lakhs)

a) Sugar plant and machinery	7418.19
b) Lands, buildings, roads, water work, vehicle etc.	1718.41
c) Distillery building	20.58
d) Distillery plant and machinery and equipments	374.26
e) Distillery land	2.57
f) Arrack building	5.93
g) Arrack plant and machinery and equipments	57.17
h) Others	220.60

TOTAL:	<u>9817.71</u>

1.4.9 EMPLOYMENT:

The factory has provided employment to about 1,507 persons in addition to persons which are indirectly employed for 6 months (during season) as coolies for harvesting and loading cane as drivers and cleaners on trucks, as cartmen to transport cane, for feeding cane and other allied work, as detailed below;

Direct employees		Indirect employees	
a) Regular	345	a) Harvesting Gang	5,360
b) Substitute / Daily Wages	692	b) Transportation:	
c) Seasonal	470	i) Driver / Cleaners	800
		ii) Cartmen	1,800
		c) Coolies for other allied workers	2,520
		d) Coolies for Cultivation	36,650

1.4.10 IN THE INTEREST OF FARMER MEMBERS

- 1) Factory have been paying the highest cane price to the farmer members every year, in time periodically. During the year 1967-68, by paying Rs.212/- per MT of cane to the farmer members, this factory has created a remarkable record not only in the Sugar Industry of the State but in the country and maintaining the same track till date. During the year 1997-98, it has paid the highest ever cane price at the rate of Rs. 1,011/- per MT Ex-field which has been very well appreciated and welcomed by the Sugarcane Grower Members of the factory.
- 2) Arranging to disburse Agricultural Development Loan for the implementation of latest agricultural technology to the extent of Rs.25 000/- per member from the Nationalized Banks at a very low rate of interest i.e. @ 10% by paying 2.5% subsidy from the factory, repayable in five yearly equal installments. During the year 1997-98, the Bank of Maharashtra have sanctioned ADL of Rs11.02 crores while during the year 1998, the State Bank of India have sanctioned ADL of Rs. 4.19 crores to the 6,421 farmer members (4,646 members by the BOM & 1,775 members by the SBI).
- 3) Arranged to expedite the release of S.D.F. loans to the farmer members at the lowest rate of interest @ 6% for development of latest irrigation technology.
- 4) Arranged to hold meeting, seminars locally in the area of operation to facilitate members to understand better and enlighten their problems. Convening meeting with the harvesters annually.
- 5) Deputed the agricultural staff to various States to undergo the Study Tour and improve their skill and knowledge in the best interest of institution.
- 6) Distributing the member sugar at a very meager price, @ Rs. 10/- per kg.

- 7) Established an office "Rayat Niwas" in the factory premises to negotiate with the problems being faced by the members by engaging staff to write their applications and take action expeditiously besides providing rest room and reading room for them.
- 8) In order to provide quick and fast services to the entire satisfaction of the cane growers, the factory has constructed field offices in the area of operation.
- 9) Automation in weigh-bridge through computersation to ensure accurate weighing, cane billing and periodical payment in time.
- 10) To enable the Karkhana to avail fresh sugarcane from within the radius of 10 kms., in the area of operation specially designed carts capable of carrying 3 MTs of sugarcane have been provided to the Beed Contractors to fetch the fresh sugarcane from the members filed. This facilitates to crush fresh sugarcane in the early morning eliminating the non-cane problem and factory can achieve higher recovery.
- 11) The factory has undertaken Lift Irrigation Schemes at Gotur, Kochari, Sultanpur and Avargol. The agriculturists coming under these schemes have to supply cane to the factory 1/4th of total yield being the share of the factory and 3/4th their share. This has helped the poor agriculturist to great extent. About 200 acres of cane growing area is covered under these schemes.
- 12) The factory has purchased 9 Nos. of tippers for distribution of compost which is technically developed by the factory, which gives better yield.
- 13) The factory has also purchased 41 Nos. trucks which are being mainly used for transportation of cane from member's filed enabling early cane availability during season.

1.4.11 EMPLOYEES WELFARE AND AMENITIES:

- 1) 206 self contained residential quarters are constructed for officers and workers.

- 2) The workers and their dependents are provided with free medical aid.
- 3) Formed a Co-operative Consumers Society.
- 4) Established at the factory site the Employees Co-operative Credit Bank.
- 5) Primary School, Balawadi and Anganawadi are run by the factory.
- 6) A flour mill is run by the factory.
- 7) Distributing saplings of Mango, Sapota and Coconut plants to all the residential quarters in the colony to keep the surroundings green and free from any pollution, ever.
- 8) Improved the milk dairy in the factory premises by replacing the old cattle head by new Pandharpur Breed buffaloes to ensure good quality milk, and by installing semi-automatic pipeline milking scheme to ensure better yield of milk which is made available to the Guest House and the employees at the concessional rate.
- 9) Arranged a mini-bus for transporting the school going children from colony to their schools.
- 10) Issued Identity Cards incorporating the blood group of each employees, Computerized Punching Card to ensure disciplinary in and outs, besides providing uniform to all the employees.
- 11) Providing a well equipped ambulance to employees.
- 12) The factory has provided a playground at the colony.
- 13) For the entertainment of the colony residents, the factory has provided with TV antenna.

1.4.12 SOCIAL SERVICES RENDERED

Besides establishing the sugar factory, Late Shri Appanagouda Patil, took considerable interest in the people's movement and was instrumental for number of changes in agri-business, agro-economy, socio- economy as also educational development in this area, which has resulted in:

- The establishment of the Hukkeri Grameen Vidyut Sahakari Sangha, a first ever cooperative vidyut sangha in the country, has brought pride to the Hukkeri Taluka.
- For availing benefit of better medical services by the weaker section citizens, the contribution towards the establishment of Shri J.G. Hospital at Ghataprabha is commendable, which is presently running B.A.M.S. Ayurvedic Medical College in addition to full fledged hospital.
- Similarly, by the establishment of The Hukkeri Taluka Krishi Utpanna Kharedi-Vikri Sahakari Sangha and Krishi Bazaar Samiti, the dreams of Taluka Residents & Farmers, came true.
- Considering the pressing needs of educational developments in the area, contribution towards the establishment of Shri Durdundeshwar Vidya Vardhak Sangha is Laudable.
- The Nidasoshi Polytechnic & Hirasugar Rural Engineering College, aided by the factory has been rewarded with number of recognitions, becoming an ideal college in the district.

1.4.13 DEVELOPMENTS IN ADMINISTRATION AND TECHNICAL SNAGS

1. Curtailed the telephone bills to the considerable extent, thereby saving lakhs of rupees.
2. Rectified the technical snags by engaging the technical experts and encouraging the workers to modify the machinery to suit the requirement and boosted the production.
3. Manufacturing more than 10 lakhs quintals of sugar every sugar season by reducing the 'cleaning periods; and attaining the highest average recovery resulted in saving of lakhs of rupees.

4. Provided walkie-talkie Motorola system to agricultural staff to communicate fast from their respective positions in the filed.
5. Distributed loans to agricultural staff to purchase motorized wheelers and provided compulsory accommodation to all ACDOs in the colony itself for better administration.
6. Achieved the pollution control measures as per the parameters prescribed by the State & Central Pollution Control Board by providing full-fledged ETP i.e. aerobic composting technology approved by the State Pollution Control Board by investing about Rs. 210.00 lakhs with Full-fledged laboratory for monitoring the Pollution Control measures.
7. Constructed an overhead water tank of 50,000 liters capacity ensuring clean and filtered water to the residents of colony.
8. Dug the bore wells in the factory premises thereby eliminating the transport of water from Hidkal Dam saving thousand of rupees.

1.4.14 WATER RECYCLING UNIT

Though factory is situated on the bank of Hiranyakeshi River, it was facing acute shortage of water which was required for the operation of the sugar season, particularly January onwards and it had to fetch the water from Hidkal Dam spending over lakhs of rupees every year. Increasing cost of water and its non-availability during factory's crushing season forced the factory to take immediate steps for recycling maximum quantity water from the cane itself and to stop wastage of water in order to reduce the fresh water requirement for the process and effluent quantity.

In order to curtail the expenses on fetching the water, the factory thought of adopting the Water Recycling Unit and waste water management. The water available in the sugarcane reused in the process. The water used in the process has been

analyzed by the Scientists where they find that the quality of water available is quite suitable for use in the process. As such, the fresh water requirement has come down as low as 5 liters per tonne of cane in the month of March 2002 and pollution load to 350 m per day. By adopting the Water Recycling Unit, there was a monetary saving of Rs.77, 205/day, which is the great achievement by the factory.

In appreciation of the better adoption of Water Recycling Unit, the South Indian Sugarcane Technologists Association, Chennai has rewarded this worthy project with GOLD MEDAL during August, 2003. Furthermore, the research paper based on the said project has bagged SILVER MEDAL & CERTIFICATE OF APPRECIATION from the Sugar Technologists Association of India, New Delhi and SECOND PRIZE from the Deccan Sugar Technologists Association, Pune during the month of September, 2005.

1.4.15 REWARDS BAGGED

During the year 1996-97, various institutions in New Delhi have rewarded the Ex-chairman and present Director, Shri Ramesh V. Katti by felicitating him and awarded four different shields as under:

1. "Bharatiya Udyog Ratna Award '96" by the Indian Economic Development and Research Association, New Delhi.
2. "Rashtriya Udyog Ratna Award" by Indian International Council for Industries and Trade, New Delhi.
3. "National Industrial Excellence Award" by National Council for Commerce and Industry, New Delhi.
4. "Udyog Vikas Ratna Award" by India Institute of Economic Entrepreneur Council, Ghaziabad.
5. "S. V. Parthasarathy Award" by South Indian Sugarcane and Technology Association, Chennai.
6. "Best Co-operative Institute – 2001-2002" by the Karnataka State Co-operative Sugar Federation Ltd., Bangalore.

The above awards were personally received by the Ex-Chairman Shri Ramesh Katti, by the auspicious hands of Hon'ble Union Ministers Shri Satpalji Maharaj and Shri Sis Ram Ora. Thus to bag first four awards in a season is command able performance achieved by the institution.

Besides, the above awards, the Karnataka State Co-operative Sugar Federation Ltd., Bangalore rewarded Chief Cane Development Officer, Shri Ashok M. Patil with "Best Cane Management" Award during the year 2001-2002.

1.4.16 Management

The Board of Directors consists of eleven Directors. The factory has been reaching its greater peak under the able and dynamic guidance of Shri Umesh Vishwanath Katti, Ex-Minister, who entered into the political field in the year 1985 and consecutively elected as M.L.A. during the years 1985, 1989, 1994 and 1999 from the Hukkeri Constituency. During the year 1996, he was absorbed in the Cabinet of Hon'ble Shri J.H.Patel and has rendered his services to the State as Sugar Minister for 2-1/2 years, P.W.D. Minister for 15 months and was responsible for the development of the area. His brother, Shri Ramesh V. Katti, is one of the Directors of the factory, who has devoted himself towards the development of co-operative sector, who is presently rendering his services as Chairman of the Belgaum District Co-operative Credit Bank Ltd., Belgaum, and on the panels of various co-operative institutions. Under the proper guidance of the experienced Directors, Officers and sincere and hardworking workers, the factory is working efficiently, making commendable contribution to the Sugar Industry in the particular and the Nation in general.

It is needless to emphasize here that this factory has its own credibility and its own sanctity in the sugar industry today.