

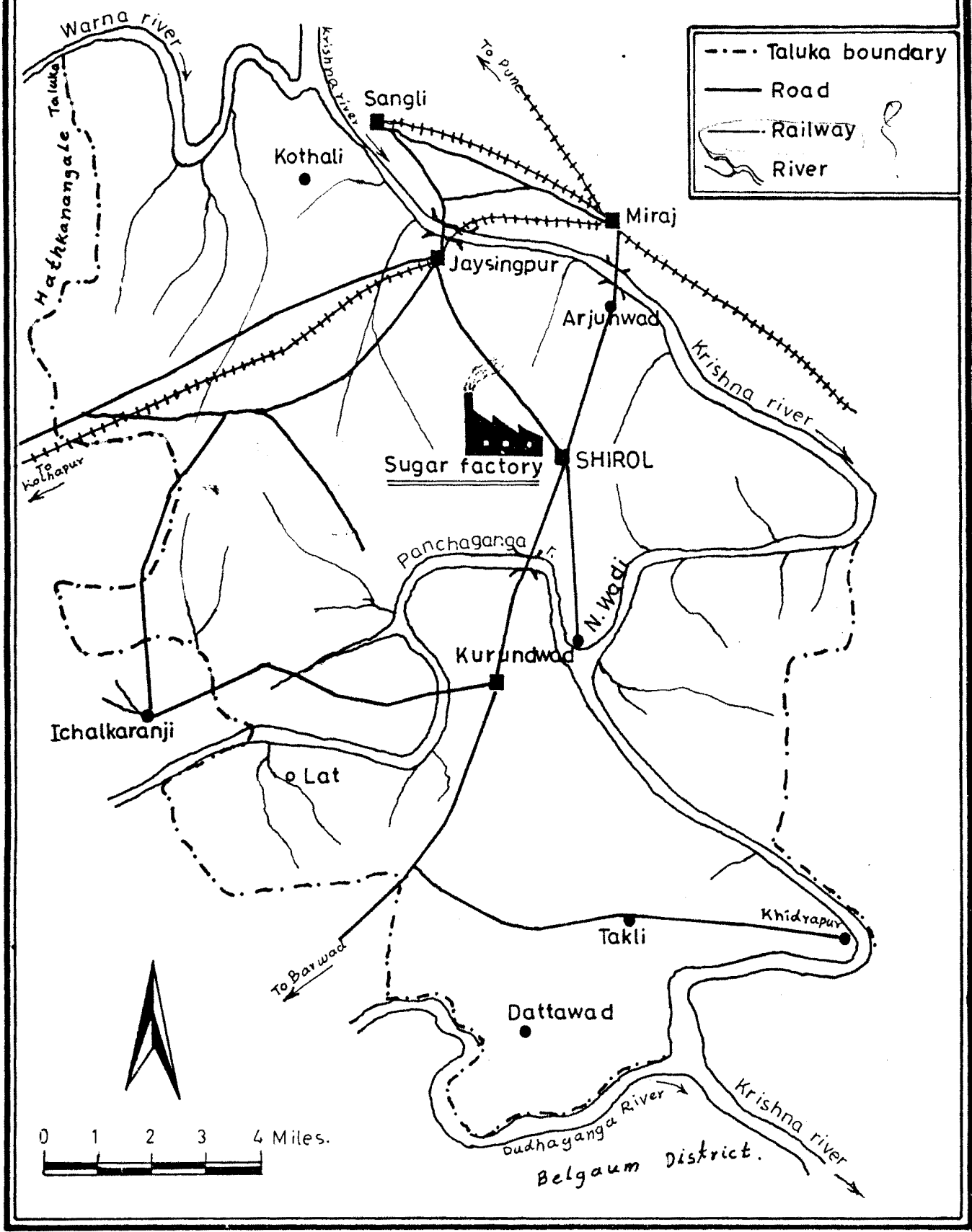
C H A P T E R - II

AN HISTORY AND DEVELOPMENT OF SHREE DATTA SHETAKARI

SAHAKARI SAKHAR KARKHANA LTD. ? SHIROL

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LOCATION OF THE Shree DATTA S. S. S.K. LTD, SHIROL (DISTRICT-KOLHAPUR)



-:: CHAPTER - II ::-

HISTORY AND DEVELOPMENT OF SHREE DATTA SHETAKARI
SAHAKARI SAKHAR KARKHANA LIMITED, SHIROL.

2.1 ORIGIN :

Maharashtra is the pioneering State in the co-operative field, accounting for 75 co-operative factories and 35% of the National Production. The cane growers in Ahmednagar district in Western Maharashtra were able to establish the first successfully co-operative sugar factory at Pravaranagar in 1950, under the guidance of distinguished co-operators like Sarvashree Dr. Dhananjayrao Gadgil, Shri. Vaikunthbhai Mehta and Shri. Vithalrao Vikhe Patil, which provides the model for similar ventures later. "The co-operatives have functioned as important growth centres in the region and their role has been significant in the reduction of income disparities, emergence of leadership and increased participation of the members in the development proces."⁽¹⁾

Shirol taluka of Kolhapur district is gifted with a presence of natural irrigation potential on account of five rivers viz. Krishna, Panchaganga, Warana, Dudhaganga and Vedganga and a fertile soil, good rainfall and abundance

of ground water. The sugarcane growers in this area were very eager to have a sugar factory so as to ensure alround development and economic prosperity to the hitherto poor and marginal farmers. A preliminary meeting was, therefore, held at Kurundwad, in Shirol taluka on 31st December, 1960 for establishing a sugar co-operative factory.

This sugar factory is situated on the Jaysingpur-Shirol road. This factory is the out-come of a pioneering efforts of Late Shri. Dattajirao Kadam an Ex. M. P. and Shrimant Visawasra S. Ghorapade (Dattawadkar Sarkar). They are the founders, of the sugar factory.

2.2 REGISTRATION OF THE FACTORY :

Shree Datta Shetakari Sahakari Sakhar Karkhana Ltd., Shirol was registered as a co-operative society, under the Section-9 (i) of Maharashtra Co-operative Societies Act, 1960 (Maharashtra Act, XXVI of 1961), on 9th June, 1969. The registration number of the society is KPR/PRG (A)-1 and the same has been classified and processing society sub-class agricultural processing society Section 12 (i) of the said Act read with the Maharashtra Co-operative Rule No. 10 (i). An industrial license for establishing a sugar factory on co-operative basis with initial crushing

capacity of 1,250 M.Ts. per day was issued subsequently which enthused a spirit of co-operation besides creating confidence and developing an attitude of self-reliance amongst the economically backward and down-trodden farmers in this area.

2.3 AIMS AND OBJECTIVES OF THE FACTORY :

The aim and objective of the co-operative sugar factory are to secure social justice and import modern technology in agricultural operations and other objectives such as to improve the economic conditions of the agriculturists through the co-operative processing and marketing of their products mainly of sugarcane and its by-products. Besides, attaining the economic uplift of cane cultivators, the co-operative leaders aimed at spreading to the weaker section of the community at large, a part of the gains arising from successful functioning of the sugar factory, providing much needed irrigation facilities and disseminating technical guidance and agricultural expansion service to obtain high yields. In addition to this, other social activities like, education, primary health, small agro-based industries and around development of the farmers is the primary aim. The sugar factory's agricultural extension service includes soil testing, tractor, ploughing etc.

2.4 PROJECT IMPLEMENTATION :

Shree Datta Shetakari Sahakari Sakhar Karkhana Ltd., Shirol is the famous sugar factory in India because of its vast development within, the very short period. This factory is located in the industrially backward area of Kolhapur district near the town of Shirol and is the first sugar factory in the State to go into production amongst the 12 contemporary factories licensed in the year 1969. Due to the foresight and active participation of the co-operative leaders, the project was implemented within a short span of about 22 months and first trial crushing operation started on the auspicious day of 'VARSHAPRATIPADA' the 16th March, 1972.

2.5 COST OF PROJECT :

As originally scheduled, the plant was to go into operation in the beginning of year 1971 at an estimated cost of Rs. 2.50 crores. However, due to many uncontrollable factors, actual production could be commenced only in the month of March, 1972, during which the project cost went up substantially on account of additional interest burden and other expenses. The project cost finally increased to the tune of Rs. 2.94 crores.

2.6 CAPITAL POSITION :

The share capital collected from the sugarcane growers and non-producer institutions of the factory. Collection of share capital from the members was a difficult task in so far as the member of the sugar factory happen to be the poor farmers who were denied membership by the neighbouring co-operative sugar factory . Hence, special efforts were made to persuade the Reserve Bank of India to issue authorisation for sanction and disbursement of long-term loans to the poor cultivator members for purchase of shares through the village primary co-operatives. Initially, Government of Maharashtra has contributed an amount of Rs. 45.00 lakhs towards share capital.

Following table shows that growth of the membership and their number of shares and amount contributed from beginning from 1968-69 to 1984-85.

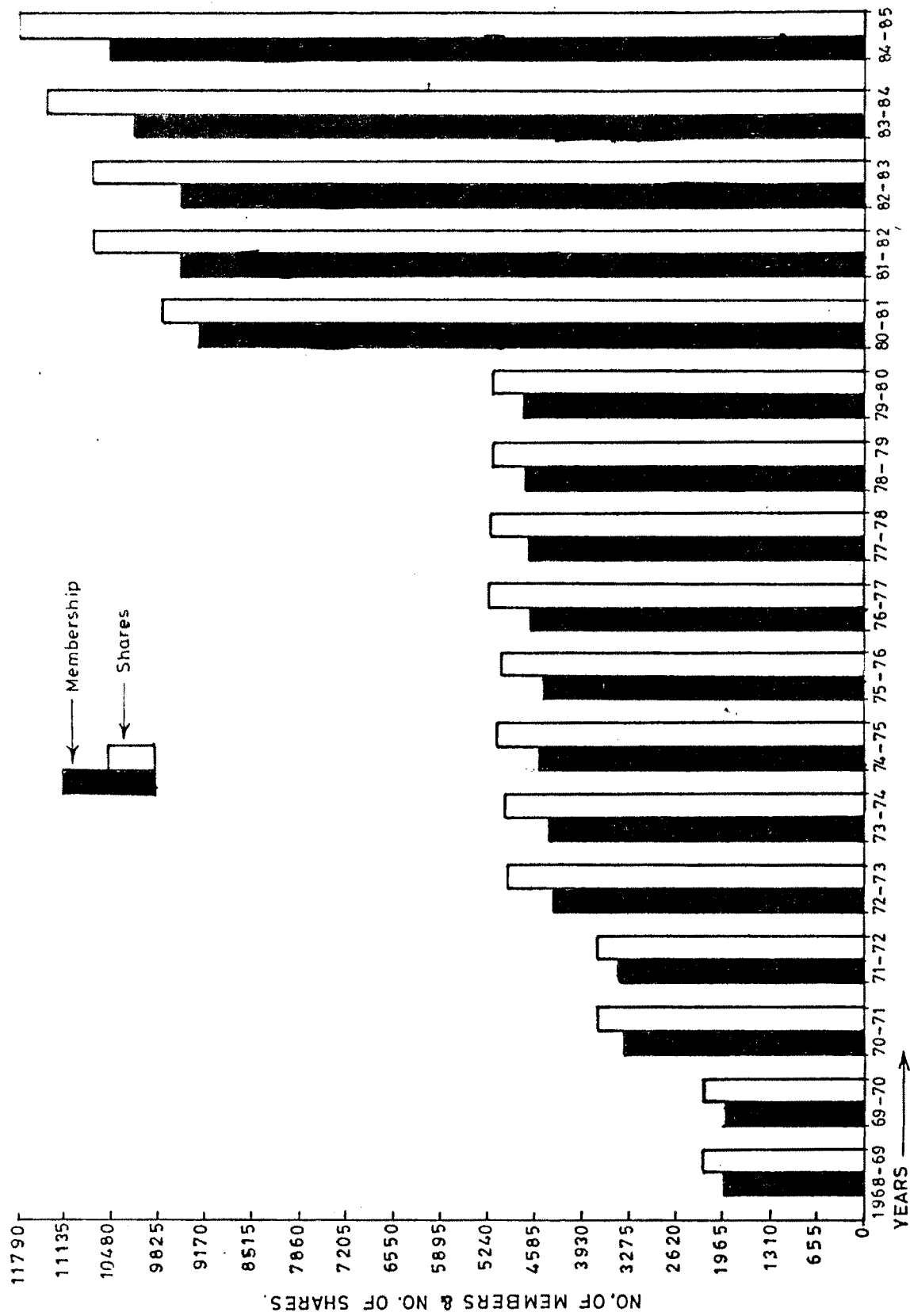


Table No. 2.1 : Showing Growth of Membership, No. of shares and amount subscribed upto 1984-85.

Year	No. of Members	No. of Shares	Amount Subscribed
1968-69	1,932	2,222	5,55,500
1969-70	1,932	2,222	5,55,500
1970-71	3,326	3,753	24,93,750
1971-72	3,329	3,759	24,99,750
1972-73	4,329	4,872	34,31,250
1973-74	4,397	4,955	35,96,750
1974-75	4,529	5,106	40,92,750
1975-76	4,521	5,086	42,32,500
1976-77	4,658	5,219	43,71,500
1977-78	4,660	5,213	44,69,750
1978-79	4,691	5,177	48,32,750
1979-80	4,691	5,177	46,86,000
1980-81	9,247	9,770	94,52,000
1981-82	9,472	10,713	1,04,40,750
1982-83	9,489	10,718	1,04,62,750
1983-84	10,143	11,400	1,11,54,250
1984-85	10,406	11,777	1,15,55,750

SOURCE : Annual Reports of Shree D. S. S. S. K. Ltd., Shirol, 1985.

GROWTH OF MEMBERSHIP & NO. OF SHARES IN
SHRI DATTA S. S. K. Ltd. SHIROL UP TO 1984



2.7 OPERATIONAL AREA :

The operational area of the sugar factory comprises of 98 villages from Shirol, Hatkanangle, Karveer and Kagal talukas of the Kolhapur district (Maharashtra) and Chikkodi taluka from Belgaum district (Karnataka State). Out of these 98 villages, 14 villages from Shirol taluka have been exclusively allotted to the factory and remaining villages are common, with the other neighbouring factories.

Following table shows the distribution of operational area through district-wise and taluka-wise in 1985.

Table No. 2.2 : Showing the Distribution of Operational Area through District-wise & Taluka-wise.

District	Taluka	No. of Villages
Kolhapur	Shirol	48
- , , -	Hatkanangle	32
- , , -	Karveer	2
- , , -	Kagal	3
Belgaum	Chikkodi	13
TOTAL		98

SOURCE : Memorandum of Shree D. S. S. S. K. Ltd. Shirol.

2.8 FINANCIAL POSITION :

The capital employed in the factory establishment was the highest. On the other hand, the labour productivity was found to be higher in the factory establishment. The Government of India was also approached with request to delete the condition from the Industrial Licence for implementing the project without obtaining term loans from IFCI / IDBI. The Central Government was kind enough to accede to the request of the factory and accordingly a term loan of Rs. 150.00 lakhs was availed from IFCI in participation with LIC. The loan amount so availed has been fully repaid along with interest accrual thereon.

following table shows the financial position of the factory as on 31st December, 1985.

Table No. 2.3 : Showing The Financial Position of
the factory as on 31-12-1985.

Sr. No.	Items	Lakhs Rs.	Lakhs Rs.
1.	Share capital		174.65
2.	Reserve		873.04
3.	Deposits (Refundable and Non-refundable)		499.85
4.	<u>LOANS :</u>		
	(A) Long-term loans (Maharashtra State Co-op., Land Development Bank Ltd., loan for construction of Godown under NCDC Schemes)	7.20	
	(B) Interest free capital Incentive loan from SICOM.	10.00	
	(C) Medium term loans for		
	(i) Paper division	357.68	
	(ii) Distillery division	57.59	
		-----	432.47
5.	Fixed Assets (Gross Value)		
	i) Sugar Division	1,003.34	
	ii) Paper Division	804.60	
	iii) Distillery Division	162.23	
		-----	1,970.17

SOURCE : 16th Annual Report of Shree Datta Shetakari Sahakari Sakhar Karkhana Ltd., Shirol, 1984.

2.9 SUGARCANE CRUSHED BY FACTORY :

The factory went into production in the year 1972 with its first trial season. The work was completed and factory started with the sincere efforts of the Chairman and the Board of Directors of this factory. Thereafter, during 1973-74, 1974-75, due to severe drought conditions in the area, cane cultivation was severally affected which had its adverse impact on the working of the factory. In the subsequent years, however, increasing quantities of sugarcane were crushed as detailed here under. (See table no. 2.4 on the next page) .

2.10 IMPLEMENTATION OF BY-PRODUCT UNITS :

2.10.1 Paper Plant : It was opined by the Deccan Sugar Institute, Pune that Shree D.S.S.S.K. Ltd., Shirol is the first sugar factory in the State, saving such a huge quantity of baggasse. The Chairman and founder member Shri. Appasaheb Alias S. R. Patil and the management of the sugar factory, after taking into consideration the saving of baggasse as the primary raw material for the manufacture of paper, decided to go in for implementation of 20 T.P.D. paper project based on baggasse and agricultural residues.

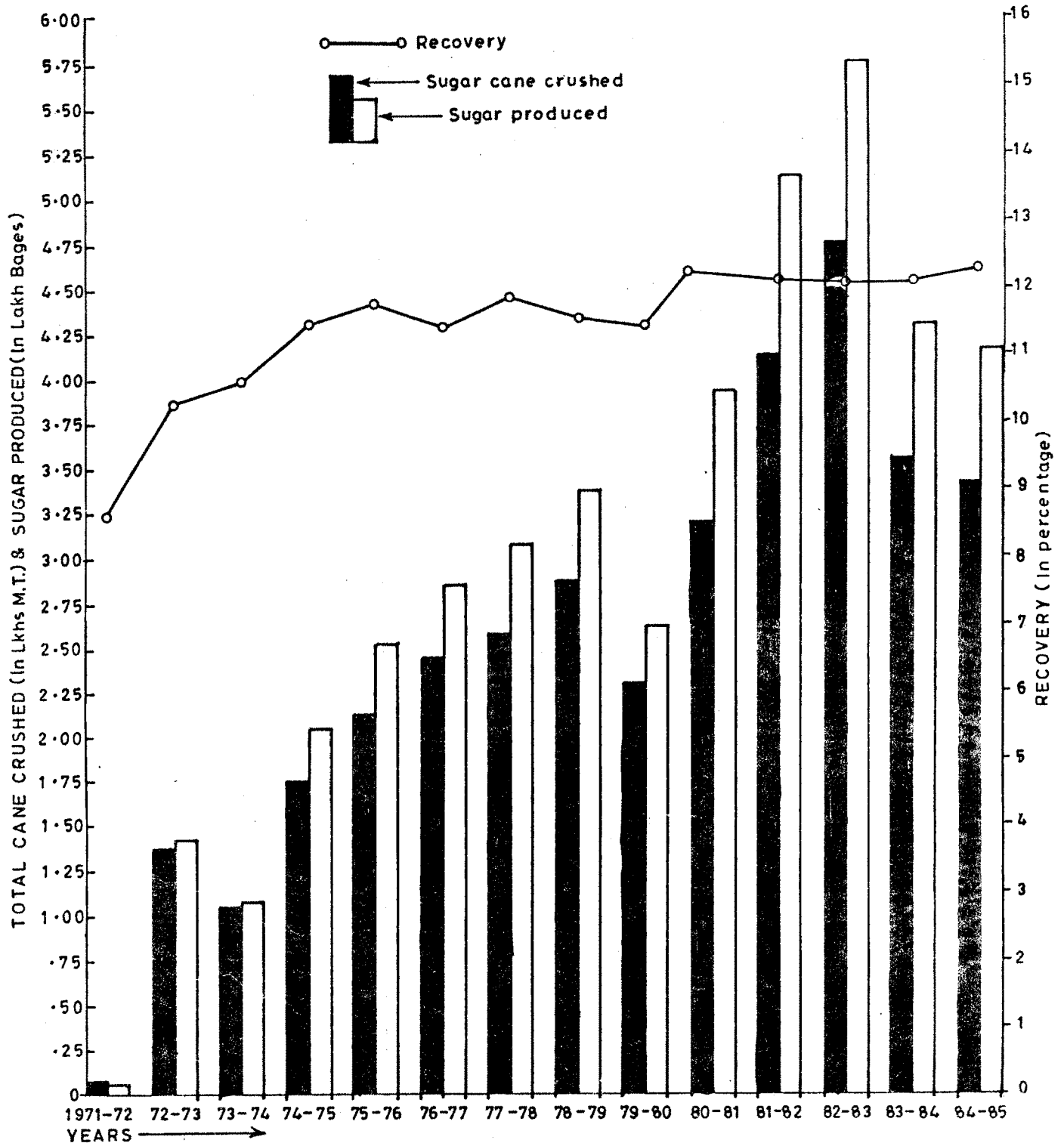
Table No. 2.4 : Sugarcane Crushed by the Factory.

Season	Annual Crushing Capacity of the Mill(per day M.T.)	Total cane crush- ed(lakhs M.T.)	Sugar Produced (lakh bags.)	Recovery (%)	Final Cane Price (Rs.)
1	2	3	4	5	6
1971-72 (Trial)	1,250	0.07	0.06	8.68	128.00
1972-73	1,250	1.38	1.43	10.29	128.80
1973-74	1,250	1.07	1.09	10.64	125.00
1974-75	1,250	1.76	2.04	11.47	140.00
1975-76	1,250	2.12	2.53	11.82	140.00
1976-77	1,250	2.46	2.84	11.44	138.00
1977-78	1,250	2.57	3.07	11.90	125.00
1978-79	1,250	2.86	3.33	11.60	139.50
1979-80	1,250	2.30	2.65	11.49	216.00
1980-81	2,000	3.19	3.92	12.26 (I)	295.00
1981-82	2,000	4.12	5.12	12.12 (II)	250.00
1982-83	2,000	4.75	5.76	12.11 (III)	240.00
1983-84	2,000	3.56	4.30	12.05 (IV)	222.00
1984-85	2,000	3.41	4.16	12.17 (III) (Anticipated)	315.00

SOURCE : Seasonal Technical Information Chart of
Shree D.S.S.S.K. Ltd., Shirol.

NOTE : Figures in roman script in column no. 5 indicate
the ranks in respect of recovery obtained by the
factory all over India.

SUGAR CANE CRUSHED, SUGAR PRODUCED & RECOVERY OF THE Shri DATTA S. S. S.K.Ltd. SHIROL



This project had been implemented and had gone into production in the year, 1983. We are proud to mention here that the foundation stone of the paper project was laid in the month of February, 1982 and soon after its completion, commenced the commercial production from the month of November, 1983.

With the establishment of this paper unit in this area, an opportunity for an employment for the people in this area widened. This project provided employment to 467 people in the area.

2.10.2 Distillery Plant : To make use of by-product mollasses, which is available from the process of manufacturing of sugarcane, the management decided to undertake Distillery Project for the manufacture of Industrial Alcohol and accordingly obtained the necessary letters of registration from D.G.I.D., New Delhi, to manufacture, industrial alcohol of 90 lakh litres per annum. This ambitious venture involving capital expenditure to the tune of Rs. 1.55 crores has been implemented within a very short span of about one year and commenced commercial production with effect from 4th September, 1983 with its full installed capacity.



2.11 VARIOUS WELFARE FACILITIES :

The factory has provided various welfare facilities to the workers some of them are statutory and remaining are non-statutory. They are mentioned below :

2.11.1 Ventilation :

The factory has constructed a modern type of building so that a proper ventilation is ensured through circulation of fresh year for every department of the plant. The ceiling fans are also fixed in and every department for circulation of clean and fresh air.

2.11.2 Lighting :

Factory management has provided sufficient and suitable lighting by both natural and artificial ways. There are glazed windows and sky lights used for lighting bulbs and movable lights also provided on the machines.

2.11.3 Main Administrative Building :

In the initial stage, the Karkhana was compelled to post-pone the construction of main administrative office building, due to substantial increase in the

project cost. However, after a lapse of about a decade the management has now constructed main administrative office building, which has facilitated to accommodate the various wings of the factory in one moderate building.

2.11.4 Rose Garden and Horticulture :

Apart from an enviable, rose garden spread over about $3\frac{1}{2}$ acres, the factory premises now abounds in varigated trees of different types, both of seasonal and permanent nature, comprising of 500 coconut trees.

2.11.5 Safety Equipment :

The management has provided necessary safety equipments to the workers like Gogals, Hand gloves, Gum boots, etc. All the moving parts of each engine is properly furnished on the fire precaution. The management has kept sand buckets and cyllinders in every dangerous place. The management has provided two dresses for each worker every year.

2.11.6 Drinking Water :

The management has provided clear water to the workers. 22 c.c. cold water is also provided at the time

of summer and has dug many more tube wells in the factory area.

2.11.7 Latrines and Urinals :

The factory has provided latrines and urinals and also they are kept in clean and hygienic condition.

2.11.8 Recreational Facilities :

The management has provided recreational facilities to the workers and staff, such as sports, games, reading room, library etc.

2.11.9 Housing Facilities :

The factory has provided housing facilities to the workers as well as to the Officers at the reasonable rent.

As a part of social activities, the factory has constructed 19 huts in the area of operation involving an expenditure of Rs. 2.90 lakhs for the benefit of the landless people. Moreover, an amount of Rs. 2.29 lakhs has been remitted to the Collector of Kolhapur, for construction of additional huts for labour.

2.11.10 Medical Facilities :

There is one dispensary in the factory premises and medical officer is in-charge of this dispensary.

Necessary medicines are stored in the dispensary.

Besides, the First-Aid-Box has been provided to every department of the factory.

2.11.11 Co-operative Credit Society :

The factory has also established a workers' co-operative credit society. This society is functioning very smoothly by rendering short-term loans to its members.

2.11.12 Shree Datta Shetakari Sahakari Grahak Sanstha Limited, Dattanagar.

This consumer society is the out come of the efforts of the Chairman Shri. Appasaheb Alias S. R. Patil and other members of the Board of Directors of the factory. The primary aim of this society is to have a big consumer departmental store to make available required fundamental consumable items such as clothes, ready made clothes, food-grains, utencils, electrical items, sewing machines, by-cycles, etc. at reasonable prices to the civilians residing in the vicinity of this co-operative industrial complex.

2.11.13 Other Facilities :

The management has provided banking facilities, post-office, cycle stand, rest room for workers, canteen etc. in the factory premises.

2.11.14 Bonus :

The management has distributed bonus to all the factory workers in every year. In this year, the management has given 25% bonus to the workers. For a detailed discussion of the payment of bonus in chapter no. V.

2.12 OTHER ACTIVITIES OF THE FACTORY :

2.12.1 Gobar Gas Plant :

The cultivator members are encouraged to construct gobar gas plants of various capacities and are provided with subsidy equal to the amount of subsidy paid by the village cottage industries commission. The subsidy ratio is based on installed capacity. So far, agriculturalists members have constructed 601 Gobar Gas Plants of various capacities in the area of operation.

2.12.2 Vahatuk Yojana :

In order to ensure timely supply of sugarcane to the factory and to provide subsidiary occupation to the sugarcane cultivator members, the factory designed a scheme of sugarcane transportation (Datta Oos Vahatuk Yojana) under which the factory has advanced loans

(long-term) to the member cultivators to purchase trucks, tractors, trailers and bullock carts. Under the scheme, the Sugar factory has distributed 34 trucks, 84 tractors, 156 trailers and 4 bullock carts fitted with rubber tyres amongst the producer members.

2.12.3 Diesel and Petrol Pumps :

In order to cater to the requirement, a diesel and petrol pump has been installed at factory site. This has facilitated the factory to have continuous supply of sugarcane without any difficulty in respect of transportation of sugarcane. Besides, fuel is provided to the private vehicles owned by the members of the factory.

In order that the factory should not suffer for want of sugarcane which is the basic raw-material in the production of sugar, it undertakes the responsibility of supplying high yielding varieties of sugarcane strains to the member cultivators. Since sugarcane cultivation requires an assured and regular supply of water, the factory has sponsored a number of lift irrigation schemes based on co-operative principles. In an effort to extend the area under sugarcane cultivation, the factory is keen on extending the irrigation facilities to as a large number of farmers as possible within its area of operation. In order to achieve an higher level of efficiency, in

terms of productivity improvement in the cultivation of sugarcane, the factory has launched the land development programme within its area of operation. The factory has purchased one bull-dozzer with a capacity of 90 H.P. for levelling of agricultural lands. A number of farmers have been taking advantage of this bull-dozzer for the development of their respective lands. The factory has also purchased one tractor with 35 H.P. which could be used for ploughing of lands under sugarcane cultivation deep enough. All these efforts the factory has been trying aim at raising the productivity of cane per hectare through providing where withall of sugarcane cultivation.

2.13 OTHER WELFARE ACTIVITIES :

Other welfare activities undertaken by the factory include, construction of houses, family planning programmes, provision of primary and college education, provision for training facilities for workers and provision for medical aids to the workers.

The intension of the foregoing analysis of the varied activities undertaken by the factory, is to highlight the expanded employment opportunities to the local manpower through the diversification of production activity. The total number of the employees both seasonal

and permanent taken together, amounted to 976. This number includes, permanent, probationary, seasonal, temporary and trainee employees in the various departments of the factory. In the following chapters, we hope to analyse the socio-economic conditions of the employees category-wise in the selected three departments namely, Engineering, Manufacturing and Cane Yard of the factory. We have selected the workers in these departments purposively, because they make a direct contribution to the manufacture of sugar. The administrative staff is excluded from our study, as it does not contribute directly to the manufacture of sugar.

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R E F E R E N C E S

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