

CHAPTER - II
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PROFILES OF THE SELECTED CO-OPERATIVE SPINNING MILLS

SOLAPUR DISTRICT.

I N T R O D U C T I O N

We have selected four major units of co-operative spinning mills i.e. Sholapur Vinkar Sahakari Soot Girani Niyamit, Solapur, Yeshawant Sahakari Soot Girani Niyamit, Solapur, Shri Swami Samarth Shetkari Wa Vinkari Soot Girani, Valsang and Shetkari Sahakari Soot Girani Ltd., Sangola. Out of these four units, first two units are located in the urban area in Solapur and the other two are located in rural area of Solapur District. Sholapur Mill is organised by handloom weavers co-operative societies. Yeshawant Mill is organised by powerloom weavers, Shri Swami Samarth Mill is organised by handloom weavers and cotton growers while Sangola Mill is organised by cotton growers. Henceforth we mention these organisations as Sholapur Mill, Yeshawant Mill, Swami Samarth Mill and Sangola Mill for analysis. Moreover, it needs to be explained here the Sholapur Mill was registered as handloom weavers society, Yeshawant Mill was registered as powerloom weavers co-operative society, whereas Sangola Mill's membership was restricted to purely cotton growers. The Swami Samarth Mill was registered as handloom weavers and cotton growers. Although the membership pattern of these four units is differ, the overall functioning and operating does

not made any difference. Naturally, the overall working functioning of these organisations create impact in their respective area.

An effort is made in this Chapter to give general profiles of these units in respect of their membership and share capital, project cost and spindleage capacity etc.

SECTION - I : SHOLAPUR VINKAR SAHAKARI SOOT GIRANINIYAMIT, SOLAPUR.

Solapur city in Maharashtra State is famous for the decentralised textile industry namely handlooms and power-looms. At present there are about 15,000 handlooms with the handloom co-operative societies in Solapur District. Particularly to fulfill the requirements of handloom co-operative societies regarding cotton/blended yarn. 'The Sholapur Co-operative Spinning Mills Ltd.' was organised by Primary Handloom Weavers Co-operative Societies in 1964. The name of the Mill was changed as "Sholapur Sahakari Soot Girani Niyamit, Solapur" with effect from 9-1-1967. The present name of the Mill is "Solapur Vinkar Sahakari Soot Girani Niyamit, Solapur". (Reference Bye-law No. A-1-1, dt. 25-4-1986). The membership of Mill was only open to Primary Handloom Weaver's Co-operative Societies in Solapur District. At present, there are 160 societies as members of the Mill. Practically all the active societies of handloom weavers have become members of the Mill. The main object of Mill was to spin cotton/blended yarn in order to supply to its members. At present, the Mill is spinning mainly cotton yarn counts 10s to 80s in Hank/Cone form, singled, double yarn. It is sold to members and others. Off-take of members has gone down because of their handlooms are not working satisfactorily and reduced demand for their end products. The Mill, therefore, has to sell

yarn to outsiders. The yarn is allotted to members on the basis of their handlooms and shares held by them. Yarn is also sold to District Federation and Regional Apex Federation for production of "JANATA CLOTH".

The original project of 12,000 spindles was completed and production started in January, 1967. In order to cater sizable requirement of yarn of the members at that time and also in order to make the mill viable unit an Expansion Programme of additional 13,000 spindles was taken up and completed in the year 1972-73.

As the pattern of yarn consumption of the members and demand in the market changed, the planned and switched over accordingly. The 60s/80s production was changed towards production of coarser counts, "Preparatory Machines" were added from time to time. It was also found that members needed 2/60s staple yarn, for which a small project of a doublers and one cone winder was completed during the year 1977-78.

The Mill planned expansion programme of additional 25,000 spindles in 2 phases in the year 1981-82. The first phase of 13,640 spindles was completed and production started from May, 1984. The second phase is postponed. Now the total spindleage is 39,680.

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|---------------------|---|
| 1) Name of the Mill | : Sholapur Vinkar Sahakari Soot
Girani Niyamit, Solapur. |
| 2) Registration No. | : 18-2-1964
(No. SUR/PRD(I) 1, dt.18-2-64) |

- 3) Objects : The Mill was organised by Primary Handloom Weavers Co-operative Societies. The main object was to spin cotton/blended yarn in order to supply its members. The yarn is allotted to members on the basis of their Handlooms and shares held by them.
- 4) Area of Operation : Solapur District.
- 5) Members and share Capital : (30-6-87)

TABLE NO. 2.1

(Amount Rs. in Lakhs)

Sr.No.	Name	Nos.	Share Capital
1.	Primary Handloom Co-operative Societies	150	20.12
2.	District Federation	2	
3.	Government of Maharashtra	1	20.00
	Total	153	40.12

- 6) Spindleage Capacity : 1. Licensed -
2. Installed- 39,680
- Original Project : 11,960
- 1st Expansion : 14,080
- 2nd Expansion : 13,640

39,680

- 7) Date of Commencement of Production : 1. Original Project : 9-1-67
2. 1st Expansion : 1972-73
3. 2nd Expansion : 1983-84
- 8) Project Cost and Funds :

TABLE NO. 2.2.

(Amount Rs. in Lakhs)

Sr. No.	Particulars	Original Project	1st Expansion	2nd Expansion	Total
1.	Approved Cost	96.00	135.00	467.00	698.00
2.	Means of Finance :				
	-Members Share Capital	20.12	16.00	23.35	
	-Term Loans	55.88	26.99	170.90	
	-State Govt. S.C.	20.00	19.99	163.45	
	-Internal Sources	-	72.02	109.30	
		96.00	135.00	467.00	698.00

SECTION - II : YESHAWANT SAHAKARI SOOT GIRANI NIYAMIT,
SOLAPUR.

After the liquidation of 'The Solapur Spinning and Weaving Mills Co.Ltd.' 25,000 workers terminated from the job. Some of these skilled workers started the powerloom industry in the decentralised sector at Solapur, which has relieved the unemployment to a great extent. At present, there are about 10,000 powerlooms working in the city. All these powerlooms are owned and run by small artisans and they are spreadover in small units of 2 to 4 powerlooms per unit. Out of these, 10,000 powerlooms, about 6,000 powerlooms are engaged in the production of World Famous Jacquard Chaddars, which are exported, and foreign exchange worth crores of rupees is brought by them. For production of Jacquard Chaddars cotton yarn of 2/20s,

2/14s and 60s, counts is used. Some of the powerlooms also produce exportable quality of Turkish Towels in a variety of attractive designs and colours. The remaining 4,000 powerlooms are engaged in the production of dhotees, long cloth and other coarse cloth from 20s and 24s counts. This coarse cloth is sold in rural areas after calendering, bleaching and processings, for which facilities in co-operative and private sector are available locally.

It was estimated that for the meeting the full requirements of yarn for all these powerlooms, 70 lakh khs. of yarn of coarse counts was required per month. These varieties of yarn was brought in the local market from the textile mills through out India. However, it experienced that the yarn so produced was not of the required quality and the rates were also not reasonable. Moreover, the supply position was very irregular. These difficulties affected the regular working of the powerlooms and consequently the employment potential and the foreign exchange earning capacity of the industry as well. The only solution to find a way out of these difficulties was to have a co-operative spinning mill of the powerloom~~s~~ weavers. In the context of these circumstances, and after taking a cue from the successful working of Solapur Co-operative Spinning mills (belonging to handloom weavers) the powerlooms weavers have organised, co-operative spinning mill on consumer's pattern which known as 'Yeshawant Sahakari Soot Girani Niyamit, Solapur'. The mill

was registered under Registration No. SUR/PRG/I)-2 dated 10-4-1967 and got a licenced spindleage capacity to 37,718 spindles.

1. Name of the Mill : Yeshawant Sahakari Soot Girani Niyanit, Solapur.
2. Registration No. and Date : SUR/PRG(I)-2 dt.10-4-1967
3. Objects : The mill was organised on consumers pattern. The mill produce 2/20s and 2/14s counts yarn which was used by the members for production of world famous jecquard chaddars. The yarn was supplied to members on quota system based on the No. of looms and shares held by them.
4. Area of operation : North Solapur Taluka.
5. Members and share Capital : 30-6-87

TABLE NO. 2.3.

Sr.No.	Name	Nos.	Share Capital (Amount Rs. in lakhs)
1.	Primary powerloom co-op. Societies.	20	
2.	Primary Handloom Co-op. Societies.	15	30.03
3.	Dist. Federation of power- looms and Handlooms Societies.	02	
4.	Individual Powerloom Holders	560	23.49
5.	Government of Maharashtra	01	70.13
Total		598	123.65

6. Spindleage Capacity	:	1. Licensed Spindles -37718	
		2. Installed Spindles-30248	
- Original Project	:	12208	
- Ist Expansion	:	12760	
-IInd Expansion	:	<u>5280</u>	Total - 30248

7. Date of Commencement of Production :

1. Original Project	:	1-11-69
2. Ist Expansion	:	30-6-74
3. IInd Expansion	:	15-7-80

8. Project Cost and Funds :

TABLE NO. 2.4. (Amount Rs. in lakhs)

Sr. No.	Particulars	Original Project	Ist Expansion	IInd Expansion	Total
1.	Approved Project Cost	129.00	134.00	262.00	525.00
	Actual Expenditure	134.00	153.76	177.63	515.39
2.	Means of Finance				
	- Members Share Capital	17.97	19.37	--	37.34
	- State Govt. Share Capital	34.40	35.73	--	70.13
	- Medium Term and Long Term Loans	77.44	65.99	111.83	255.26
	- Internal Sources	54.19	32.67	65.80	152.66
	Total	184.00	153.76	177.63	515.39

SECTION : III : SWAMI SAMARTH SAHAKARI WA VINKARI SOOT
GIRANI NIYAMIT, VALSANG

AND

SHETKARI SAHAKARI SOOT GIRANI LIMITED,
SANGOLA

It is reported that South Solapur, Akkalkot, Pandharpur, Malshiras and Sangola Taluka in Solapur District are popular for the production of cotton. Major portion of land is utilised for the production of cotton by the farmers in respected areas. Farmers sells their cotton in open market, which affects income of the cotton growers due to lower prices and price fluctuations. It was needed a stable market to sell cotton at the reasonable prices. It is also reported that in District of Solapur, there are 18,000 handlooms and 10,000 powerlooms in active working. A-round 15,000 handlooms and 3000 powerlooms are in co-operative sector. At present, Sholapur Co-operative Spinning Mills and Yeshawant Co-operative Spinning Mills having 39680 and 30248 spindles, catering to the needs of handloom and powerloom weavers in co-operative sector. The mills in operation hardly meets 30% to 40% of requirements of yarn of handloom and powerloom weavers, there was a great need to install co-operative spinning mills to protect benefit of the cotton growers on the one hand and to fulfil requirements of handloom and powerloom weavers on the other. Efforts was made to install co-operative spinning mills in South Solapur and Sangola

Taluka. Thus Shri Swami Samarth Shetkari Wa Vinkari Sahakari Soot Girani Niyamit, Valsang was registered in 14-11-1979 and Shetkari Sahakari Soot Girani Limited, Sangola was registered in 28-1-1980.

1. Name of Mill : Shri Swami Samarth Shetkari Wa Vinkari Soot Girani Niyamit, Valsang.
2. Type of Mill : Mixed
3. Registration No. and Date : SUR/PRG(I)/5 date 14-11-1979
4. Objects : The Mill was organised by Cotton Growers and Handloom weavers as mixed type. The main object was to purchase raw cotton at the reasonable rate from cotton grower members and to provide processed cotton yarn to the weaver members.
5. Area of operation : Solapur District(South Solapur Taluka-Akkalkot)
6. Members and Share Capital (30-6-87)

TABLE NO. 2.5.

			(Amount Rs. in lakhs)
Sr.No.	Name	Nos.	Share Capital
1.	Cotton Growers	3044	21.98
2.	Individual Weavers	136	0.79
3.	Weavers Co-op Societies	10	2.45
4.	Other Co-op Societies	120	10.93
5.	Govt. of Maharashtra	1	359.00
Total		3311	395.15

7. Spindleage Capacity : 25080
1. Licensed - 25080
 2. Installed-
 - 1983-84 - 23321
 - 1984-85 - 25080
 - 1985-86 - 25080
 - 1986-87 - 25080
8. Date of Commencement of : 1983-84
Production.
9. Project Cost and Funds :

TABLE NO. 2.6.

Sr.No.	Particulars	Amount (Rs. in lakhs)	Total
1.	Approved Cost		800.00
2.	Actual Cost		781.15
	Finance -		
	a) Members Share Capital	36.15	
	b) Government of Maharashtra	359.00	
	c) Term Loans	346.00	
	d) Special Capital Incentive (S.I.C.O.M.)	40.00	
		781.15	781.15

SHETKARI SAHAKARI SOOT GIRANI LIMITED, SANGOLA :

1. Name of the Mill : Shetakari Sahakari Soot
Girani Limited, Sangola.
2. Registration No. and Date: SUR/PRG/(A) 7 date-28-1-1980
3. Sanctioned Revised
Project Cost : 863.70 lakh
4. Type of Mill : Cotton Growers
5. Objects : The Mill was organised on
producers pattern. The
membership was opened only
to the cotton grower
farmers. The main object
of mill was to purchase raw
cotton from the member
farmers at the reasonable
rate and to sell processed
cotton yarn in open market.
6. Area of operation : Sangola, Mangalwedha,
Malshiras, Pandharpur,
Taluka of Solapur District
and Atpadi Taluka of
Sangli District.
7. Details of Members :

TABLE NO. 2.7.

Sr. No.	Type of Members	No. of Members			
		1983-84	1984-85	1985-86	1986-87
1.	Grower Members	6947	6992	7005	7005
2.	Co-operative Society	51	51	51	51
3.	Govt. of Maharashtra	1	1	1	1
	Total	6999	7044	7057	7057

8. Spindleage Capacity : 1. Licensed Capacity - 25056
2. Installed Capacity- 25056

9. Commencement of Production : 14-9-1984
10. Project Cost and Funds :

TABLE NO. 2.3

Sr.No.	Description	As per project (Amount Rs.in lakhs)
1.	Members Share Capital	43.20
2.	Government Share Capital	388.65
3.	Term Loan - I.F.C.I.	350.00
4.	Capital Incentive S.I.C.O.M.	41.50
5.	Interest accrued on Share Capital	23.55
6.	Internal accruals from the mill	16.80
	Total -	863.70

To sum up it can be said that out of the 4 co-operative spinning mills under the study Sholapur and Yeshawant Mills are established in 1980s and remaining two are established in 1980s. Although the production is similar, the machinery installed by Sangola Mills and Valsang Mills are quite modern and labour saving. This has definite impact on production performance and economic efficiency. The break-even point period for Sholapur and Yeshawant Mills was longer than the new units of Sangola and Valsang.