

CHAPTER THREE

DEVELOPMENT OF COOPERATIVE SPINNING
ACTIVITY IN ICHALKARANJI REGION

BIRTH OF SPINNING ACTIVITY AT ICHALKARANJI

As is observed in the last chapter, the weaving of cotton textile was growing in leaps and bounds through years at Ichalkaranji. However, till recently, the centre was almost fully dependent for its yarn on outside places. Surprisingly, no spinning activity, private or otherwise, could come up in the area for years together. Marathe Mills at Miraj, Shahu Chhatrapati Mills at Kolhapur and Madhavanagar Mills at Madhavnagar were at a closer distance from Ichalkaranji. They were producing yarn, but much of it was being used by themselves leaving a small part for outsiders. As such weaving units at Ichalkaranji were compelled to procure yarn from distant places incurring costs on transport, octroi duty and middlemen's commissions, besides exorbitant prices, sub-standard yarn and uncertain supplies. Since the cost and quality of yarn have much to do with the woven fabric, they have a vital place in the economics of handlooms and power-looms anywhere. On this scale, almost complete dependence on outside sources for the needed yarn was perhaps the greatest block in the growth of the textile industry of Ichalkaranji. The conditions remained so till the beginning of the sixties.

Efforts to bridge the vital gap in the textile activity at this centre began in early sixties of this century. Local political leaders took initiative and succeeded in establishing in all three big spinning units in the co-operative sector

through sixties and seventies. With the initiative of Shri Dattajirao Kadam, the Deccan Co-operative Spinning Mills, Ltd. was registered on 3rd December, 1960 and it commissioned production on 18th December, 1962. The Deccan Mills was thus the vanguard in the spinning activity at Ichalkaranji. Nay, it was the first co-operative spinning mill in the entire Maharashtra State.¹ The Deccan Mills was a product of the co-operation of the weavers. Following its lead, another landmark in the spinning activity was reached when, thanks to the leadership of Shri Ratnappa Kumbhar, the Kolhapur Zilla Shetkari Vinakari Sahakari Soot Girni Ltd. was registered on 17th August, 1964 and went into operation on 6th July, 1968. This mill was the product of the joint efforts of cotton growers and weavers in the area, and was the first of its kind in India.² The commissioning of these two spinning mills was like a booster to the weaving activity, and consequently the number of installed looms in Ichalkaranji went up to nearly 20,000 in 1975 from 12,000 in 1965. But this development led to creation of still larger demand for yarn. To cope up with the increased demand for yarn, both the units undertook expansion programmes. In spite of this, supply of yarn fell short of demand. Need for additional spinning mills was much

1 All-India Federation of Co-operative Spinning Mills, Ltd., Bombay: Annual Report, 1976-77; p. 123.

2 An appraisal of the working of the Girani, published by Kolhapur Zilla Shetkari Vinakari Sahakari Soot Girani Ltd., 1979-80; p. 8.

felt. To fill the gap, therefore, Shri K.B. Awade took the lead in establishing the Ichalkaranji Co-operative Spinning Mills, Ltd. It was registered on 18th June, 1974 and commenced production on 9th September, 1977. After this so far no new unit has come up; recently 19 proposals have come up for establishing spinning mills in the vicinity of Ichalkaranji as also at other places in Kolhapur District.

It is worthwhile to note the gestation period of the three mills now in operation. The details are given in Table-1.

Table-1

Gestation period of the spinning mills of Ichalkaranji

Name of the mill	Date of registration	Date of commissioning	Gestation period (months)
1 Deccan	3.12.60	18.12.62	24
2 Kolhapur Zilla	17.8. 64	6.7.68	47
3 Ichalkaranji	18.6.74	9.9.77	39

Source: Annual Reports of the mills

Table-1 shows that gestation period of the Deccan Mills was the shortest of all perhaps for the reason that it was the first project in Ichalkaranji so that the promoters could succeed in collecting share capital quickly and thereby complete the erection work sooner. The gestation period of the Kolhapur Zilla Shetkari Vinakari Sahakari Soot Girani, Ltd. was the longest mainly because cotton growers were also its partners

and the 1965 agricultural season was bad for them. Consequently, the work of collection of share capital was delayed. This was followed by difficulties in acquisition of suitable land. The gestation period of the Ichalkaranji Co-operative Spinning Mills was longer compared to the Deccan Mills. Delay in land allotment by the government, difficulties in water and electricity supply, difficulties in getting suitable machinery at reasonable prices, and difficulties in getting finance, were the major hurdles.

EXPANSION OF THE SPINNING MILLS

As the quantum of yarn production was very much less compared to the requirements of the members, in order to meet the demand for yarn as far as possible, it was natural for the mills to arrange for the expansion of their capacity. Tables 2 and 3 give the details of the expansion activity of the Deccan and Kolhapur Zilla Mills. Between 1964 and 1973 the Deccan Mills undertook 4 major and one marginal expansion so that the spindleage capacity increased by 67,552 from initial 11,960 in 1962-63 to 79,552 in 1972-73. Nearly five-and-a-half times increase indeed ! As against this, the Kolhapur Zilla Mills did expansion only twice over the decade between 1968 and 1978. Consequently, its spindleage capacity went up by 36,848 from the initial 25,080 in 1968-69 to 62,928 in 1977-78. However, though only two expansion programmes were carried on, the Kolhapur Zilla Mills had, as compared to its

Table-2

Total capital outlay worked out for basic unit and expansion units by the Deccan Co-operative Spinning Mills, Ichalkaranji

Project & expansion	Year	No. of spindles added	Investment (Rs. in lakhs)		
			Land and buildings	Plant and machinery	Other fixed assets
Initial project	1962-63	11,960	12.28	40.13	2.94
Expansion I	1964-65	12,064	8.10	57.43	3.09
Expansion II	1965-66	13,792	15.29	45.01	3.09
Marginal expansion	1968-69	4,640	-	6.96	-
Expansion III	1969-70	12,064	15.05	62.01	9.21
Expansion IV	1972-73	25,032	58.18	194.53	77.29
	Total	79,552	108.90	406.07	95.62
					610.59

Source: Records of the Deccan Co-operative Spinning Mills Ltd., Ichalkaranji

Table-3

Total capital outlay worked out for basic unit and expansion units by Kolhapur Zilla Shetkari Vinakari Sahakari Soot Girani Ltd., Ichalkaranji.

Basic project & expansion	Year	No. of spindles added	Investment (Rs. in lakhs)		
			Land and buildings	Plant and machinery	Other fixed assets
Basic project	1968-69	25,080	27.04	96.08	50.78
Expansion I	1973-74	25,080	30.73	183.45	49.82
Expansion II	1977-78	12,768	-	86.22	39.88
Total		62,928	57.77	365.75	140.48
					564.00

Source : Records of the Kolhapur Zilla Shetkari Vinakari Sahakari Soot Girani Ltd., Ichalkaranji.



predecessor, begun with almost double the spindleage capacity and has, after expansion, reached almost the same capacity. The latest unit, viz., the Ichalkaranji Mills, is yet in its infancy and hence it is yet to undertake expansion activity.

INSTALLED AND UTILISED CAPACITIES

Let us now consider the present size of the three units as also the extent to which their installed capacity has reached to their licensed capacity. Table-4 gives the details.

Table-4

Total licensed and installed spindles in the
co-operative spinning mills of Ichalkaranji
(1980)

Name of the mill	Licensed spindles	Installed spindles	% of installed spindles to the licensed spindles
1 Deccan	79,552	79,552	100
2 Kolhapur Zilla	75,000	62,928	84
3 Ichalkaranji	28,728	28,728	100
Total	1,83,280	1,71,208	95

Source: Annual Reports of the mills

Table-4 shows that at present the licensed capacity of these three co-operative spinning mills of Ichalkaranji is 1,83,280 spindles whereas they have installed 1,71,208 spindles. The percentage of installed spindles to the licensed one thus comes to about 95. The percentage of

installed capacity is little short of 100 for the only reason that whereas the Deccan Mills and the Ichalkaranji Mills have their 100 % mark, the Kolhapur Zilla Mills is working at the mark of 84 %.

How much of the installed capacity is actually utilised by these mills ? Table-5 gives us the trend for the seventies. The trend for the decade exhibits that all the three mills are utilising about 92 % of their installed capacity. In comparison, the Ichalkaranji mills, an infant, has a better record at average 95.5% as against 91.2% of the Deccan mills and 90.00% of the Kolhapur Zilla Mills. Utilisation of capacity over 90% is considered as a good performance, though not the best. It seems that there is scope for the mills to reach to the point of 100% utilisation of their capacity when the mills have no problem of marketing of the produce. Hurdles in the way should be located and necessary measures have to be adopted to achieve the goal.

Table-5

Utilisation of installed capacity by the spinning mills
of Ichalkaranji (1971-80)

Year	Installed capacity (spindles)			% of utilisation of installed capacity		
	Deccan	Kolhapur Zilla	Ichalkaranji	Deccan	Kolhapur Zilla	Ichalkaranji
1970-71	54,520	25,080	-	92.60	93.00	-
1971-72	54,520	25,080	-	94.85	94.10	-
1972-73	58,212	25,080	-	94.80	95.60	-
1973-74	64,704	25,080	-	91.57	96.00	-
1974-75	64,704	25,080	-	92.39	95.08	-
1975-76	79,552	27,816	-	87.70	83.80	-
1976-77	79,552	41,040	-	86.94	85.92	-
1977-78	79,552	50,160	19,152	91.75	87.01	93.00
1978-79	79,552	50,160	25,080	88.39	87.33	95.10
1979-80	79,552	62,928	28,728	92.40	88.00	98.00
Average ...				91.2	90.00	95.5

FUTURE PLANS

The three spinning mills are not silent over what they have achieved so far. They have in their view some plans for the future. They are briefly enumerated here.

1) Deccan Co-operative Spinning Mills Ltd.

Presently, this mill is utilising 79,552 spindles and has

2500

A

expanded to its maximum size. Hence, it is planning for modernization of some of its units.

2) Kolhapur Zilla Shetkari Vinakari Sahakari Soot Girani, Ltd.

The mill is contemplating a wide-scale programme of horizontal as well as vertical expansion. Particulars are as under:

- A) Expansion of production capacity from 62,928 spindles to 1,25,856 spindles.
- B) Establishing a co-operative cotton seeds processing factory.
- C) Establishing a co-operative cloth processing plant to process the cloth produced by the weaver members.
- D) Establishing a co-operative marketing organisation to organise sale of cloth manufactured by the weaver members.
- E) To provide facilities to weaver-members for maintenance, repair and renovation of their looms and supply of required mill-store for the same.

3) Ichalkaranji Co-operative Spinning Mills, Ltd.

This infant unit also desires to grow vertically and

horizontally. The highlights of its future programmes are as under:

- A) Expansion of spindleage capacity from 28,728 to 50,160 spindles.
- B) To establish a ginning and pressing unit, a waste cotton plant, a surgical cotton plant, a workers' housing society, a hospital, a school and a college and a textile training centre.

SCOPE FOR DEVELOPMENT OF NEW UNITS

In Ichalkaranji, at present nearly 30,000 powerlooms are working round the clock; they need cotton yarn in huge quantities. It is estimated that per loom per day 5 Kgs. of yarn is required. So, $30,000 \times 5 = 1,50,000$ Kgs. of yarn is the daily requirement of the powerloom industry of Ichalkaranji. The working days of the powerloom industry are 300 in a year. Therefore, Ichalkaranji requires $1,50,000 \times 300 = 4,50,0000$ Kgs. of yarn per year for its powerloom sector.

The existing three co-operative spinning mills of Ichalkaranji, with installed spindles totalling 1.71 lakhs, are producing nearly 76 lakh Kgs. of yarn per year, i.e., about 17% of the requirement. If they supply their entire production to the powerloom sector of Ichalkaranji, with the help of this supply the industry will work for only 51 days

in a year, or only 5,000 looms can work throughout the year. Thus, for nearly five-sixths of their yarn requirements, the Ichalkaranji weavers are depending on outside sources. If these three co-operative spinning mills complete their proposed schemes of expansion their installed capacity will increase from 1.71 lakh to 2.55 lakh spindles. It will help to increase the supply of yarn from 76 lakh Kgs to 114 Lakh Kgs. per year; that is about 25.5% of the present requirement. With the help of increased supply of yarn, the powerloom sector of Ichalkaranji can work for 75 days in a year, or 7,500 looms can work throughout the year. In sum, even after expansions, Ichalkaranji will have to depend for about three-fourths of its yarn requirement on outside sources.

These details are revealing indeed. They throw light on the big gap existing at present and will continue in the near future between the requirements and supply of yarn locally. At present the weavers are meeting the balance of their requirements by procuring yarn from distant places like Bombay, Coimbatore and Madurai. Consequently, additional cost by way of packing, forwarding, transportation, octroi, etc. has to be borne by the weaving industry. Under the circumstances establishment of more spinning mills at Ichalkaranji will help to ease the problem to a considerable extent. The production of new mills will have assured demand and market locally. Thus, there is a scope for about 8 to 10 new spinning mills having total capacity of 7.50 lakh spindles in the near

future.

PROPOSED FUTURE PLANS

In view of the dire necessity of additional spinning units at Ichalkaranji, local leaders of different political parties have been on their toes to start three new co-operative spinning mills at Ichalkaranji. The names of the proposed co-operative spinning mills are as follows:

- 1) Nav-Maharashtra Sahakari Soot Girani,
- 2) Vyankatesh Shetkari Sahakari Soot Girani,
- 3) Mahalaxmi Sahakari Soot Girani.

The proposed spinning mills are still in the primary stage. Efforts will have to be made to see that the proposals come into reality within as short a span of time as possible.

Besides these three proposals at Ichalkaranji there are other 16 proposals of co-operative spinning mills to be established in the rest of the district. Notwithstanding the need for yarn care has to be taken to allow the really worth-while units to come up. Leadership competition should not affect adversely the interests of the spinning industry through over-enthusiasm to have units at any place desired.