

C H A P T E R - 9

CONCLUSION1. INTRODUCTION

The present chapter is developed to describe the overall picture of co-operative factories in Ichalkaranji.

2. ICHALKARANJI : CENTER OF CO-OPERATIVE FACTORIES

In the history of the industrial development of Ichalkaranji, Late Snriment Narayanrao Babasaheb Ghorpade was installed on the Gadi of little Jahagir in 1892. He promoted development of industry by providing all the facilities. The Second World War brought a brief spell of prosperity to hand-loom as well as power-loom industry. The owners of the power-looms and hand-looms studied the demand of 'Patal' and new trends in womens' fashions, the new border, design and colour shades.

The first Central Co-operative bank was started in 1929 with the support of Babasaheb Ghorpade. But the industrial development was restricted in private sector only. After independence, the co-operative movement emerged and the co-operative factories were established.

The co-operative movement in industry was started at Ichalkaranji under the guidance of Mr. Ratnappa Kumbhar. He established Snri Panchaganga Sanakari Sakhar Karkhana Ltd., Ganganagar, Ichalkaranji in 1955.

Then the Deccan Co-operative Spinning Mills Ltd., Ichalkaranji was registered in 1960 and the production was started on 18th Dec.1962. It was established under the able guidance of Shri A.G.Kulkarni,M.P. and late Dattajirao Kadam.

Mr. Ratnappa Kumbhar established The Kolnapur Zilna Snetkari Vinakari Sanakari Soot Girani Ltd., Ichalkaranji which was registered on 17th August 1968. After these two spinning mills, Mr.K.B.Awade took leading role in establishment of "The Ichalkaranji Co-operative Spinning Mill and it was registered on 18th June 1974 and commenced in production on 9th September 1977.

Then Mr. K.B.Awade and Mr. S.M.Bidkar took the leading role and registered the Nav-Manarashtra Co-operative Spinning Mill (100% export oriented unit) on 4th December 1979. These four spinning mills are in operation.

There are three processors in co-operative sector :

- 1) The Laxmi Co-operative Processors Ltd., registered on 22nd August 1957.
- 2) Yashawant Co-operative Processors Ltd., Ichalkaranji registered on 14th March 1963, and
- 3) Vyankatesh Co-operative Processors Ltd., Ichalkaranji registered on 10th March 1975.

The above noted factories are in sugar and textile industries in co-operative sector. Mr. Prataprao Hogade, the leader of Janata party established The Ichalkaranji Co-operative Cement Industries Ltd. Ichalkaranji which was registered in 1985.

Thus there are co-operative factories in sugar, textile and cement industries and it can be said that Ichalkaranji has become a center of co-operative factories.

3. CO-OPERATION CONCEPT, MOVEMENT AND REVIEW OF LITERATURE

The co-operation is essential for the preservation and civilisation of the society. Co-operation motivates and directs human life. The co-operation and not conflict brings people and nations together. The modern concept of co-operation, denotes a special method of doing business.

The Social Reformists Rober Owen and Dr. William King gave thought to the formation of new philosophy and the co-operative movement began on world stage. The modern concept, co-operatives are established to perform specific functions, co-operative societies may be found at local, regional, national and international level. Co-operation is broader phenomena which yields different meaning at different categories of persons.

From the sociologists point of view, co-operative is an instrument of establishing social harmony through the co-operation of class struggle. Mr. M.T.Herrick, P.Lambert and the MacLagan Committee in India, 1950, have defined the co-operation. The definitions of co-operation have varied according to time, place and person, resulting in divergent views. The co-operative movement has grown through evolutionary process. Now the abstract concept has developed into institution. The characteristics of the cooperation are: an association of person, an enterprise, voluntary association, service obje-

-ctive, democratic management, equality, norms of social justice, a part of socio-economic movement.

The co-operative movement is formerly introduced in India in 1904. After independence, the co-operative activity was extended to spheres such as banking, marketing, processing and spinning mills and sugar factories. Co-operation soon became one of the instrument of rural development. The loyalty of members is the foundation of co-operation and that loyalty can be maintained by positive gains and negative sanctions.

Prof Baviskar's study is based on the empirical data of Kisan Sugar Factory. The study indicates relation between co-operative sugar factory and politics of development. The book is pioneering work in the field of co-operative movement in Maharashtra.

4. ORGANIZATIONAL STRUCTURE OF CO-OPERATIVE FACTORIES

The organization charts of all the co-operative factories clearly show the position of workers, officers and heads of the departments. They were all related to each other. The status and role of the head is clearly shown in the organizational chart.

The Chairman of the factory is top person from the shareholders side and Managing Director/General Manager/Manager/Secretary were responsible person in the administration and production of co-operative factories. He also controls and supervises all the departments of the factory. The Chairman and Managing Director/General Manager/Managers/Secretary play an important role in the administration of the factories.

5. PRODUCTION PROCESS OF CO-OPERATIVE FACTORIES

The production process of these factories from raw material to the finished product is described. In the case of Panchaganga, the stages like weighing, juice clarification, juice concentration have been analysed and now sugar is made is shown .

In the case of spinning mills, the production is being done through different departments, like Blow-room, Carding, Combing, Frame and Winding. The three spinning mills - Deccan, Kolnapur Zilha and the Ichalkaranji - have the same process. In the case of Nav-Maharashtra, the machinery are imported from Morzoli Company, Italy and the processes in the Blow Room Section, Combing department are automatically done. In these spinning mills the cotton is transferred in yarn on the cone.

There are three co-operative processors - Laxmi, Yashawant, and Vyankatesh. The production is being processed through bleaching, mercrizing, dying and calandring and printing. In these processors bleacning and finishing departments are crucial. In all these processors, the gray cloth is bleached which is then ready for market.

The cement factory is the one in which, with the assistance of lime stone, coke, black soil and gypsum, the cement is produced. The cement production consdists of crusning, black meal process, different neat process and shell process.

6. SHAREHOLDERS AND DEVELOPMENTAL ACTIVITIES OF CO-OPERATIVE FACTORIES

The shareholders play an important role in co-operative factories. They purchase shares and the capital is accumulated to the factories. The number of shareholders, their shares and the total share capital from all the co-operative factories shows that they have faith in these activities and they have responded positively to the co-operative movement.

The co-operative factories have implemented various developmental schemes in their area of operation. These have been beneficial to the shareholders and non-shareholders. These activities show the commitment of co-operative factories towards society.

7. ENQUIRY INTO DIFFERENT DIMENSIONS OF CO-OPERATIVE FACTORIES

7.1 PANCHAGANGA SUGAR :

The motivating factor in establishing the sugar factory was that the farmers can get the maximum price to their sugarcane. They selected that place for the sugar factory because the railway station Hatakanangale is near to it. The factory can get water supply regularly and the place is central to Shirol, Hatakananagale and Karveer talukas.

The situation was not favourable at the time of collection of share capital. Mr. Ratnappa Kumbhar collected the share capital at a critical situation from the farmers. The founders faced the problems of iron, shortage of cement and finance at the time of construction

of sugar factory. The Government gave permission after long time for the importing machinery. The Backiulf Company of Germany sent an errector. The errector installed the machinery in the factory.

The government gave the share contribution of Rs.75 lakhs. The government also gave the concession in the initial stages to sell all the sugar at free sell.

The Panand roads were constructed and repaired by the sugar factory and the factory have Panchaganga transport scheme, wehich consist of 123 trucks, 58 tractors and 144 trailors. The factory provides seeds of sugarcane, pestdicides and fertilizers. The factory nave sufficient sugarcane and there is no competition to the neigh-bouring factories.

The quality of sugar is good and the sugar is exported. The 50% sugar is sold by tender system and the remaining 50% is given to Central Government. The rate of sugar is decided by Central Government. The sharenolders can get good price to their sugarcane. They also get 5 Kg sugar per share per month at the rate of Rs.4/- per Kg.

The various schemes for the shareholders like sugarcane deve-lopment, Lift Irrigation Scemes, Gobar gas plants, cattle breeding center, Boaring and blasting, Library, Donation to high schools, Homes to landless labourers, Financial assistance to back-ward class, farmers are being implemented by the factory.

For the non-share holders the schemes are: agricultural advice, Land levelling, Lift Irrigation, sugar for one year wno supply sugarcane.



They selected the place near Shiradwad where they could get the land of 35 acres at the minimum price. They thought that rural employment will generate and the standard of living will be increased in that area.

The situation was favourable at the time of collection of share capital. Late Dattajirao⁹ Kadam, Mr. Kallappa Awade, late Anandrao Bhide collected the share capital within 15 days. On the first day itself, they collected Rs.16 lakhs as share capital and within 15 days they collected the share capital of Rs.40 lakhs and 36 thousand. The people in Ichalkaranji have a faith in co-operative work.

At the construction of the factory they had to face the problem of cement. The skilled workers of Deccan Co-operative also helped in the construction of the spinning mill.

The political leaders and founder members of spinning mill have credit to the supplier of machinery. They brought the machinery within prescribed time. All the machinery is Indian. The skilled workers of Deccan Co-operative Spinning Mill and the errector of the company had major role in the establishment of the machinery. The share contribution of Rs. 1 crore and 12 lakhs have been given by the Government.

At initial stage of spinning mill, the government has not given any concessions. There were no difficulties in transport of raw material. There was a restriction that the co-operative spinning mills must purchase the cotton from 'Cotton Federation of Maharashtra'.

The various schemes for the workers are: Wages according to the wage board, Bonus, free high school education to workers' children, Training Programmes, Insurance, Deputation of officers to attend seminars and Training courses, Organization of the industrial trips etc.

The problem of the sugar factory is that the by-product of the sugar factory spirit is not lifted by the agents quickly. The factory has no space to store the spirit.

The solution to this problem would be to export the spirit and the duty should be on the utilization of spirit by the company.

The future plans of the factory are Ithelien production project Lift irrigation schemes, Hyper Market, Ganga Bazar, Departmental Store on the factory site and increase in crushing capacity.

7.2 DECCAN SPINNING

Ichalkaranji city is known for power-loom. For the regular supply of yarn, the spin mill was essential. The merchants during the year 1957-58 gave low count yarn and declared it as high count yarn. So there was confusion in the minds of power-loom owners. The power-loom owners were in need of high count yarn. On this background, it was essential to establish a spinning mill in Ichalkaranji.

The founder Director of the spinning mill, Rajabnau Datar allotted the land at the lowest price. The situation was not favourable at the time of collection of share capital. The people had no idea about the co-operative principle in spinning mill. But still then, in the difficult situation, the share capital was collected.

The technicians and skilled officers gave suggestions and accordingly the construction of spinning mill was completed. The machinery was 50% Indian and 50% from Pat Brothers, England. All the machines were good in quality and Pat Brothers, England sent skilled workers and officers and they installed machinery.

The share contribution given by Government was Rs.22 lakhs and 80 thousands. The Government gave the share contribution as an experiment in co-operative sector.

There were difficulties in transport of raw material. The Soot Girani purchased the cotton through the agent in Egypt, Sudan. When they purchase the cotton, there is no competition to the neighbouring Soot Girani. There is a restriction to purchase the cotton from Federation of Maharashtra.

The quality of yarn is good. The yarn is exported to the United Kingdom. There is also more demand to their mill yarn. The mill exports the yarn through agents. In the local market, there is Kota method for shareholders and auction sale for others. At the beginning, they gave 4% dividend to the shareholders. The mill supplies yarn to shareholders by Kota method at the minimum price.

The schemes for shareholders and non shareholders are implemented through DECCOSPIN Charitable Trust and DECCOSPIN Research Foundation.

The various schemes being implemented by the Spinning Mill for the workers are : Credit Society, Medical help

to the workers as well as family members, family planning scheme, disdtribution of auto-cycles, cycles and T.V. training, technical courses etc.

The Board of Directors has been co-operative in the development of the Spinning Mill.

The problems of the spinning mills are that they cannot get good quality cotton from the Government of Maharashtra's Federation. The government doesd not give permission to purchase cotton from other states immediately. The higher rates of electricity board affect the financial position of the Spinning Mill. The utilization of machine is 77%, but it must be 90%.

The solution to the problems are : those who export the yarn they should get the concession in electric supply. Those mills who export the yarn should get immediate permission from the Government to purchase cotton from other states also.

The future plans are: modernization of machines and workers' nousing society.

7.3 KOLHAPUR SPINNING

In Maharashtra during 1955-56 late Dhananjayrao Gadgil and late Yashnavantrao Chavan gave motivation for co-operation. The farmers can earn money and presdtige through co-operatives. From these motivating factors the Soot Girani was established.

The place for the Soot Girani is at Yadrav. The land of 111 acres and 12 guntnas was obtained at lowest price on the Ichalkaranji-

Sangli road. The railway station Hatkanangale is also near to Soot Girani and the water supply is regular.

The situation was favourable at the time of collection of share capital for the Soot Girani. Before the establishment of Soot Girani, a sugar factory and Soot Girani were working in good conditions in a co-operative sector at Ichalkaranji. The shareholders were getting benefits from these factories and the people had faith in co-operative movement in Ichalkaranji.

There were no difficulties at the time of construction of Soot Girani. At the time of machinery order and installation there were no difficulties at all. The Government has given share contribution of Rs.44 lakhs and 33 thousand. The Government had extended assistance in all the office procedures.

There were no difficulties in the transportation of the raw material. For the regular supply of raw material, they gave high quality seeds to the shareholders and they have established a cotton development programme. The Soot Girani gives higher rates to the cotton bags of the shareholders and they give subsidy to the shareholders. When they purchase the raw material, there is no competition to the neighbouring factories.

The quality of yarn is good. The Girani sends yarn to the United Kingdom. The yarn is sold by tender system. The shareholders get the rebate and dividend at the end of the year.

The schemes implemented by the Soot Girani for the workers are: uniform, good canteen with items at cheaper rate, medical assistance,

resdt house facility, training programme, educational facilities to the workers' children, good play ground, good library, allotment of the bicycles and motor cycles, housing society, employees' credit society, etc.

The Board of Directors has given co-operation in development of the Soot Girani. The problems of the Girani are that the new policy of Central Government which is not beneficial and the high rate of electricity board.

The solution to these problems is to form the regional boards for the welfare of the Soot Girani. There must be control in yarn rate. The power-loom owners should establish the societies, to change in production according to the needs of time i.e. production of polyester.

The Soot Girani have a future plan of modernization of the Soot Girani for which the machinery order has been placed.

7.4 ICHALKARANJI SPINNING

In 1978 there were 25 thousand power-loom in Ichalkaranji. The supply of yarn was essential for power-loom industry. Late Dattaji rao Kadam thought that Mr. Ratnappa Kumbhar has established sugar factory and Kolhapur Zilha Snetkari Vinkari Sanakari Vinkari Soot Girani Ltd., Ichalkaranji. On this background he was lagging behind in co-operative sector and therefore, he put forth the demand in 1972 to the government about the proposed Ichalkaranji Co-operative Spinning Mill. Late Dattajirao Kadam and Mr. Kallapa Awade always thought about the prospects and growth of power-loom industry in Ichalkaranji.

The processors work as a job work and there is competition to the neighbouring processors. The quality of finished product is good. The name of the processors is well known in the market for the bleaching, mercrising and finishing the gray cloth. The shareholders and nonshareholder bleach,^MMerocrise and finish their cloth and the rates are equal to them.

The various schemes for workers are credit society, welfare trust, financial assistance at the time of natural accidents and workers education scheme. The board of directors has cooperation in the development of the processors.

The problems of the processors are, the high rates of electricity, shortage of skilled labour and shortage of coal. The new policy of cloth by the Central Government is not favourable to the processors. The Government have given concession only to the hand processors. The consumers have to pay excise duty of 14%. The supply of gray cloth is decreasing.

The solution to the problems are that the excise duty should be reduced in the range of 6% to 7%, then it will be favourable to the power processors. The Central Government should consider the Processing Association's views and important factors which are beneficial to both Central Government and processors, and these should be practised.

The future plans of the processors are that the order has been placed to new machinery for the polyester processors. The management is also interested in large scale production of man-made fabric.

The production is good in quality. The government of India has allotted First Prize to this spinning mill in 1986, for its quality product. The shareholders of the spinning get yarn at low price than the non-shareholders.

The various schemes being implemented by the spinning mill for the workers are : allotment of the bicycles and auto-motor cycles, credit society, housing scheme and training.

The important decision of the spinning mills activities are taken with understanding in the meetings of board of directors.

The problems of the spinning mill are : high rates of electricity board, the restriction of government to purchase cotton through the cotton federation of Maharashtra, delay of the Government of Maharashtra for permission to purchase the cotton from other states. These factors affect the rates and quality of yarn.

The Government of Maharashtra should supply the electric power at a minimum rate. The Government should give immediate permission to purchase the cotton from other states also.

The future plans of the mill are to construct canteen for the workers, hand-loom project. In future they have a plan to produce polyester yarn. The mill has demanded to the Government to allot 32 acres of land near to spinning mill for expansion and development.

7.5 NAV-MAHARASHTRA SPINNING

In Ichalkaranji there are 40 thousand power-loom. For meeting the high demands of yarn of Ichalkaranji, there was a need of Soot Girani. Before this spinning mill, Deccan, Kolhapur Zilha and Ichalkaranji Spinning mills working in good conditions in co-operative sector. The share capital was collected from one or two power-loom owners. These were the motivating factors for establishment of the Soot Girani.

The land of Koli community was available at the lowest price. The place is suitable from all point of view. The place is near to Ichalkaranji and also near to railway station Rukadi. Therefore, they selected this place. The situation was favourable at the time of collection of share capital.

There were difficulties at the time of construction of the Soot Girani like Cement shortage in the market, increase in rate of steel. Due to the two factors, the cost of building increased than expectation. There were no difficulties at the time of machinery order for the Soot Girani. The Italian Marzoli Company sent the errector. There were no difficulties at the time of machinery installation.

The share contribution given by the Government at initial stage was Rs.10 lakhs. The total project was of Rs.16 crores. The 55% share contribution was local (including government share contribution) and 45% was of Italian Morzoli Company under buy-back system. The Soot Girani is 100% export unit. All the machinery received to the Soot Girani was duty free. They import all the cotton from Egypt and Sudan.

They test the quality of the cotton in laboratory, and then they select it. The cotton is high quality in grade.

The quality of yarn is good. They export 100% yarn to Italy. The yarn is good in the sense that it is comparable to that of 5 mills in the world.

Various schemes are being implemented by the Soot Girani for the welfare of the workers. The management has given co-operation to get loan from banks to purchase auto cycles and canteen facilities for the workers. The erectors of the Italian Morzoli Company trains the workers in the Soot Girani. The board of directors has given co-operation in day to day operation of Soot Girani.

The project cost of the Soot Girani was increased as the management could not get the machinery in the prescribed time. The management purchased the machinery, at that time the exchange rate of Italian 1 Swiss frank was Rs.4.85, but when they received machinery the exchange value was Rs.9.70. The mill could not get loan at proper time.

The future plans of mill are : The plan of double yarn and the workers' housing society. They have decided to make low count yarn from Comber west cotton. They have given order for such type of machinery. This project will be started after two years. There are plans to allot bicycles to the workers and form workers' credit society. At present the factory is giving 65% payment compared to other spinning mills. In future they have decided to pay according to Kale Commission.

7.6 LAXMI PROCESSORS

The owners of hand-looms and power-looms had to send gray cloth for bleaching to Bombay and Ahmedabad. They had to pay heavy amount for bleaching and transportation. The founder of the Laxmi Co-operative Processors, late Baburao Marathe gave his own land of $\frac{1}{2}$ acres at cheap rate and the government also gave 4 acres of land at cheap rate.

The situation was favourable at the time of collection of share capital. But there were difficulties at the time of construction of the factory. The construction work was not completed in the prescribed time. The promoters were in need of finance. The government had not given any share contribution at the initial stage.

The management purchased the machinery. Out of these, the two machinery were not good, therefore, these were sold and the new machinery were brought. The company sent errector. He gave suggestions and completed the shades of the factory. The Government gave contribution of Rs.50,000/- in the year 1965-66. For first 10 years, the management gave preference to the shareholders and rebet to them. There is a competition to the neighbouring factories for getting grey cloth.

The factory purchases raw material like costic soda, paper, plastic bags and Tinopol etc. from Bombay and Gujarat. The quality of finished product is good as compared with other factories.

For the first 7 years the factory gave 12% dividend to the shareholders. The factory also presented articles to the shareholders like stainless steel article sets.

Various schemes are being implemented by the factory for the welfare of the workers : Allotment of bicycles and motor-cycles, guarantee letters from the factory to the local banks to give them loan, credit society, loan, educational facility, books, note books to their children, and for housing society at Tilvani, 5% financial help to build their own houses.

The board of directors has given co-operation in development of the factory. The problems of processors are : Excise duty varies within a year which brings the financial changes in the factory. The government taxes equal excise duty on big as well as small processors. The hand-processors get the concession but the power processors cannot get concession. The policy of Government is not beneficial to the power processors.

The solution to these problems are that Government will have to make policy decision for longer time. The concessions must be for a period of 5 years. The Government policy must be beneficial to the power-loom owners.

The future plans of the processors is to start a printing section in the process. It has a plan to give the marketing block to the shareholders. They have plan to purchase food grain and sale it at the lowest price to the workers and a plant to bring large number of books and donate these to the workers' library.

7.7 YASHAVANT PROCESSORS

The owners of the power-loom use to send their gray cloth to Bombay and Dombivali for bleaching, finishing and mercrising. There was a need of power processors. The employment opportunities can be created. The processors will get raw material of gray cloth in large quantity. These were the motivating factors for establishment of co-operative processors.

The place for the processors is in the Industrial Estate. The Estate allotted the place at rate of 50 paise square feet. The place is near to the city.

The situation was favourable at the time of collection of share capital for a co-operative processors. The powerloom owners and political leaders were interested in collection of the share capital. They knew the importance of co-operation and they had faith in co-operative sector.

The officials of Deccan Co-operative gave suggestions at the time of machinery order for the processors. The board of directors of Deccan Co-operative and Yashavant Co-operative Processors were almost same. The skilled workers of Deccan Co-operative Spinning Mill gave necessary suggestions. There were no difficulties at the time of machinery installation in the processors.

The share contribution of Rs.80,000/- was given by the Government at the time of the establishment of the factory. In the initial stages of the procesdsors, Rs.10 lakhs as a share contribution was given by the Maharashtra Government. There are no difficulties in the transporation of the raw material.

7.8 VYANKATESH HAND-PROCESSORS

The motivating factors for the establishment of this type of processors were that it is run by unskilled labourers and it requires large number of workers. The hand processors have no excise duty for bleaching and finishing. At the time of establishment of this processors, the power processors were in loss and they were facing the financial problems.

The location of the processors is at the center of Ichalkaranji in an Industrial zone. A contract with the Government for this place of 99 years land possession had been made. The construction of the factory was completed by the Industrial Estate at a cheaper rate.

The situation was not favourable at the time of collection of share capital. The Yashvant Co-operative Processors collected the share capital but the shareholders could not earn anything from it. Therefore, the people had no interest to take share. Thus the share capital was collected at a critical situation.

There were no difficulties at the time of construction of this processors. The Industrial Estate completed the construction of the factory. The processors paid 1/4 amount for the construction of the factory and 3/4 amount was spent by Industrial Estate. There were no difficulties at the time of machinery order for the processors. The management collected the information about quality of machinery and production. They brought skilled labourer for the installation of the machinery in the factory.

The Government gave the share capital of Rs.5 lakhs and 24 thousand. This is the first co-operative hand processors in India. The Government took no excise duty for the period of two years.

There are no difficulties in transport of raw materials. For the regular supply of raw material, the factory gives quantity rebate to the shareholders. There is competition to the neighbouring processors by the factory.

The quality of mercerised and finished cloth is good one. In Bombay market, the cloth of hand processors has a high demand. The shareholders received 4% dividend.

The various schemes being implemented by the processors for workers : training programme, allotment of bicycles, advance payment in case of difficulties. As per factory act, all the facilities to the workers have been provided. There are schemes to train the workers in hand processors. They send the selected workers to the short term training courses.

The problems of the hand co-operative processors are that there are private hand processors in Ichalkaranji, therefore, there is heavy competition. There is lower rate of private factories for bleaching, mercerising and finishing. The solution to these problems are that the new cloth policy decision by Government of India, regarding excise duty must be changed.

The future plan is to make it a power processors and they are trying to modernize this processors.

7.9 ICHALKARANJI CEMENT

The motivating factors of the establishment of the factory were that the Janata Party members had a strong will to work in co-operative sector. The rural people can get the employment through these. And the co-operative work is essential for political functions also.

The place on Kolhapur-Sangli road was selected for the factory. The management got land at the lowest price. They got electricity and water supply without any disturbance.

In the collection of share capital, the situation was favourable. The directors of Laxmi Co-operative processors gave co-operation to them. There were difficulties in the construction of the factory. The machinery supplier gave no proper information and suggestion, therefore, the management had to change the nature of construction. There were no difficulties at the time of machinery order.

There were difficulties at the time of machinery installation in the factory. They faced the financial problems.

The Government has not given any share contribution and concession. There were difficulties in the transport of raw material. The high quality lime stone and coal bribe is not available at the proper time. There is no competition in purchasing the raw materials. They can purchase the raw material by lowest rate from the parties.

The production of cement is good. The finished product cement is sold by the dealers appointed by the cement factory. They also sale the cement directly from the factory site. The shareholders of

cement factory can get the cement at low price. The non-shareholders, if they purchase cement from the factory site, then they also get it at cheaper rate of Rs.3/- to Rs.4/- per bag.

There are various schemes for the workers. They have implemented workers Insurance scheme. They have given advance payment to purchase the bicycles and motor-cycles. In cement factory, the unskilled labour can be trained. They send the workers to attend the workers' training camp.

The directors gave time to the development of the factory. In the collection of share capital, and office procedure, they gave sufficient time.

The problems of the factory are that the raw material is not available at proper time. The Government have not given share contribution. Again to sale the cement in open market, they have to sale at minimum price. If the workers remain absent without notice, then it affects production of the cement. The rate of interest of the KDCC Bank is higher (15½%) than the nationalize Banks (Rs.13½%).

The solution to these problems are that the ownership of mine is essential. The capacity of production must be increased. There must be contract of coal, bribe. The Government must contribute to the share capital. The workers will have to attend regularly, then the production will be increased. The interest rate of KDCC Bank must be equal to the nationalized banks.

At present daily cement production is 20 tonnes. In future they want to increase it upto 40 to 50 tonnes daily. For regular supply

of power they are planning to establish the generator. There is plan to start workers' credit society. They have a plan to purchase a mine. They have plan to make cement poles and readymade material for building construction.

8. CONFLICT BETWEEN LEADERS OF TWO CO-OPERATIVE FACTORIES

The conflict is between Mr. Ratnappa Kumbhar and Mr. Shamrao Patil which has been started indirectly from last four years. But actually the direct conflict started from last year. The founder and Chairman of Shri Panchaganga, Mr. Ratnappa Kumbhar also established the Kolnapur Zilha Soot Girani. Mr. Shamrao Patil was the Vice-Chairman of Kolnapur Zilha from 1975 to 1979, and then onward he is the Chairman.

There are many shareholders who have shares of sugar factory as well as Soot Girani. Mr. P.B. Patil, Director and Chairman of Lift Irrigation schemes of sugar factory, Mr. Dinkarrao Mudrale, Vice-Chairman of Sugar factory and other 5 directors were against Mr. Ratnappa Kumbhar and they are now with Mr. Shamrao Patil.

Mr. Ratnappa Kumbhar and his party leaders took steps against Mr. Shamrao Patil and the Kolnapur Zilha Soot Girani. Mr. Shamrao Patil is also using the same methods to counteract Mr. Ratnappa Kumbhar. The reports from the news-papers cuttings indicate the tactics and counter-tactics by both the parties. Due to the activities of these two parties, the co-operative movement in Ichalkaranji is disturbed. It is not beneficial to the shareholders of these two

factories. The conflict has also led to the 'Kumbhar faction' and 'Patil faction' in the villages and the atmosphere has been disturbed.

9. DEVELOPMENT THROUGH CO-OPERATIVES

Mr. Ratnappa Kumbhar is the founder of Shri Panchaganga Sugar Factory which was registered in 1955. Thus the co-operative movement in industry was started at Ichalkaranji.

Then Deccan Co-operative Spinning Mills was registered on 3rd December 1960. It was the first co-operative spinning mill in Maharashtra. It was established under the guidance of late Dattajirao Kadam and Shri A.G.Kulkarni, M.P. Both these leaders of Panchaganga and Deccan were in Congress party. But these were known as 'Kumbhar faction' and 'Kadam faction'. There has been competition in these two factions for establishment of co-operative factories. After Kadam faction's Deccan Spinning Mill in 1960, Mr. Ratnappa Kumbhar established Kolhapur Zilma Shetakari Vinakari Sahakari Soot Girani on 17th August 1968. This mill was the product of the joint efforts of cotton growers and weavers in the area and was first of its kind in India.

Then late Dattajirao Kadam thought that, he is lagging behind Mr. Kumbhar in co-operative sector. So late Dattajirao Kadam and Shri K.B.Awade took the leading role in the establishment of the Ichalkaranji Co-operative Spinning Mill Ltd. in 1977.

Mr. Kumbhar had a co-operative sugar factory at Ichalkaranji and Late Kadam wanted a co-operative sugar factory in neighbouring taluka of Shirol. On this background, Mr. Kumbhar and Late Dattajirao

Kadam collected the share capital for the new sugar factory in Shirol Taluka. But late Dattajirao Kadam got the license and Datta Co-operative Sugar Factory was established in 1969. Thus the Kadam faction had a sugar factory at Shirol. The Kadam faction was supported by Mr. Vasantdada Patil, the then Chief Minister, who was opposed to Kumbhar.

Again, for the Kadam faction under the leadership of K.B. Awade and Shri S.M. Bidkar, the Nav Maharashtra Co-operative Spinning Mill was registered on 4th December 1979.

The Kadam faction is also having Yasnwant Co-operative Processors which was registered on 14th March 1963, and Vyankateshn Co-operative Processors registered in 1975.

Apart from these two factions in Congress, the Janata party leaders established Ichalkaranji Cement Industries during the Janata Government period.

Thus the establishment of sugar factory and one spinning mill at Ichalkaranji was done whereas Kadam has been successful in establishing sugar factory at Shirol, three spinning mills and two processors at Ichalkaranji.

Thus due to competition between the leaders of two factions, the phase of co-operative factories was started and it was developed.

The co-operative factories under the leadership of Congress party were established during congress rule, whereas the only co-operative cement factory under Janata party leaders was established during Janata party government.

Thus the competition has been responsible for development in co-operative field and there is close relation between political parties and establishment of co-operative factories.

The leaders in the Co-operative field have succeeded in developing a net work of co-operative factories and they received active support from the sharenolders.

The caste factor can also be related to the leadership of co-operative factories. Apart from the dominant castes, the leaders from minority castes have played an important role in establishing and developing co-operative factories at Ichalkaranji. These minority castes were naving support of the sharenolders and they were naving sound financial position.