

CHAPTER - III

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CHAPTER - III

THE GROWTH AND DEVELOPMENT OF BAGALKOT CO-OPERATIVE

SPINNING MILL

Bijapur is the biggest district in Karnataka State, and Bagalkot is the biggest taluka in Bijapur District. Nature has blessed this area with sufficient water resources, huge manpower and fertile lands. It was the dream and strong desire of the people to establish a spinning mill in the area. Sri.S.C. Edke Ex-M.L.C. and Ex-Speaker, of the council had taken initiative for the establishment of the mill. Sri. P.H.Nadagouda Ex-Minister of Co-operation, Sri. S.S.Melligeri Ex-Chairman of the Karnataka State Finance Corporation and Sri. B.T.Murnal Ex-M.L.A. had strengthened the hands of Sri.S.C.Edke, the Chief Promoter of the mill. With their sincere efforts, the mill was registered under the co-operative sector on 23-10-1961 with an area of operation of five talukas, namely Bagalkot, Bilgi, Hungund and Mudhol.

The primary object of the mill is to encourage the cotton growers and help them by purchasing their cotton for the mill, and disseminate knowledge of scientific research to increase per acre yield, staple length etc.

Other main objectives of the mill are as follows :

1. To acquire, purchase, take on lease any land to erect and construct on such lands, buildings, houses and sheds necessary for the working of the mill.
2. To purchase or prepare spin, dye, work manufacture bleach and deal in cotton, and carry on spinning and to sell the finished materials.
3. To purchase and erect plant and machinery suitable for the purchase of Ginning, pressing and spinning.
4. To subscribe for and to hold shares in Co-operative and other institutions as permissible under the Karnataka State Co-operative Societies Act 1959.
5. To encourage self-help, thrift, and Co-operation among the members.
6. To construct rent godowns in the place of manufacturing, and other places for storage and sale of the raw-materials.
7. To undertake the research and other activities for all the development of cotton growing and yarn spinning.

The cotton is the main agricultural product of this area. The total area covered under cotton, variety wise, in this area of operation is as follows :

TABLE III : 1 : VARIETY WISE COTTON GROWN AREA :

( In hectares)

Taluka	Co-2	H-4	Hampi	VL	Laxmi	Suyodhar
Mudhol	200	200	-	400	-	400
Bagalkot	320	250	-	300	235	-
Hungund	100	150	400	540	20170	-
Badami	150	100	400	200	140	1700
Bilgi	200	75	80	250	15000	6000
Total	970	775	880	1690	35545	8100

It has been observed that the variety of cotton is being grown in Mudhol, Bagalkot, Hungund, Badami, and Bilgi Talukas. These places come in the Jurisdiction of Bagalkot Spinning Mill Ltd, Bagalkot. The total areas covered for the grown of Laxmi Cotton in Hungund & Bilgi is 10170 and 15000 hectares respectively. The total area covered for the growth of Suyodhar Cotton in Badami & Bilgi is 1700 and 6000 hectares respectively. A very vast area is covered for the growth of Co-2, M-4, Hampi, VL-Cotton in Mudhol, Bagalkot Hungund, Badami & Bilgi.

This area also covers 15000 handlooms and 500 power looms. With a view to give help to the growers and weavers, the mill was established under Co-operative Sector, in the Year 1961. But due to non-availability of the machines the production could not be taken up immediately and actual production started during the Year 1971 with 12096 spindles capacity.

Now we shall see in brief the activities of mill (production & Sales) and growth of the mill.

TABLE III:2 : PRODUCTION OF COTTON YARN

( In lakhs kgs)

Years	20's	34's	40's	60's	Total
1971-72	0.53	-	0.98	0.41	1.92
1972-73	-	-	2.01	-	2.01
1973-74	-	-	2.60	-	2.60
1974-75	-	-	2.41	-	2.41
1975-76	0.09	-	2.40	-	2.49
1976-77	-	-	4.29	-	4.29
1977-78	-	0.48	4.12	-	4.60
1978-79	-	0.13	4.59	-	4.72
1979-80	-	-	4.63	-	4.63
1980-81	-	0.48	5.49	-	5.97
1981-82	-	-	-	-	3.74
1982-83	-	-	-	-	5.42
1983-84	-	-	4.31	-	4.31
Total	0.52	1.09	37.83	0.41	49.11

Total Production =49.11

The actual production of cotton yarn started in the Bagalkot Spinning Mill Ltd. Bagalkot during the year 1971-1972. The mill produces four varieties of cotton yarn namely 20's, 34's, 40's, & 60's. The mill produced 1.92 lakhs kgs of cotton yarn during the year 1971-1972. Since 1971 the production of cotton yarn in the mill is in the increasing tendency. But there was a great decline in the production of cotton yarn from 5.97 lakhs kgs. of cotton yarns of the year 1980-1981 to 3.74 lakhs kgs of cotton yarn during the year 1981-1982. The mill manufactures 40's cotton more than 60's, 34's & 20's cotton yarn.

TABLE III : 3 : SALES OF YARN

( In lakhs kgs)

Year	20's	34's	40's	60's	Total value (Lakhs Rs.)
1971-72	-	-	-	-	21.15
1972-73	-	-	-	-	30.22
1973-74	-	-	-	-	47.06
1974-75	-	-	-	-	35.13
1975-76	-	-	-	-	55.68
1976-77	0.03	-	4.50	-	93.31
1977-78	-	0.44	3.29	-	76.65
1978-79	-	0.18	5.31	-	120.72
1979-80	-	5.02	-	-	130.56
1980-81	-	0.09	3.72	-	95.46
1981-82	-	-	-	-	136.72
1982-83	-	-	-	-	145.95
1983-84	0.29	0.06	4.31	-	128.19
Total					1106.85

Total value of yarn sold  
Rs. 1106.85



Table III-3 indicates the sale of cotton yarn from the year 1971 to 1984. The mill sold the cotton yarn worth Rs. 21.15 lakhs during the year 1971-1972. The sale of the cotton yarn was more during the years 1978-1979 ( Rs. 120.72 lakhs). There was decline of cotton yarn during the years 1977-1978 ( Rs. 76.65 lakhs) and 1980-1981 ( Rs. 95.46 lakhs).

TABLE III : 4 : VALUE OF MACHINERIES & BUILDINGS OF THE MILL

(In lakhs Rs.)

Year	Value of Machineries Rs.	Value of Buildings Rs.
1971-72	1.93	13.31
1972-73	50.15	15.06
1973-74	54.49	15.76
1974-75	54.94	15.76
1975-76	68.56	15.76
1976-77	69.41	15.76
1977-78	69.85	16.11
1978-79	70.55	16.11
1979-80	71.22	16.16
1980-81	79.86	16.16
1981-82	79.86	16.16
1982-83	97.33	25.63
1983-84	128.17	42.85

Total value of Machineries = 128.17

Total value of Building = 42.85

Table III: 4 Reveals the value of machineries and building of the mill. In the initial stage during the year 1971-1972 the mill had the machineries worth Rs. 01.92 lakhs and the buildings worth of Rs. 13.31 lakhs. Since then, the mill has been acquiring new machineries and constructing new buildings. To day it has the machineries of Rs. 128.17 lakhs and buildings of Rs. 42.85 lakhs.

TABLE III : 5 : LIST OF SHAREHOLDERS AND SHARE CAPITAL

Years	No. of A share holders.	Amount of share capital from A share holders.	No. of B share holders.	Amount of share capital from B share holders.	No. of C share holders.	Amount of share capital from C share holders.	No. D share holders.	Amount of share capital from D share holders.	Total share capital.
1970-71	38	59,500	223	3,01,000	433	1,73,800	3	21,51,000	26,85,300
1971-72	46	62,300	223	3,01,000	440	1,76,800	3	21,51,000	29,91,300
1972-73	46	62,300	225	3,01,600	448	1,86,600	3	21,51,000	27,51,000
1973-74	55	89,700	309	3,20,600	609	2,73,800	3	21,51,000	28,35,100
1974-75	60	94,400	309	3,20,600	619	2,76,400	3	21,51,000	28,42,400
1975-76	60	94,400	309	3,20,600	1011	3,55,200	3	42,54,685	50,24,885
1976-77	60	94,400	309	3,20,600	1012	3,55,400	3	55,50,185	63,20,585
1977-78	60	94,400	309	3,20,600	1032	3,57,700	3	55,50,185	63,22,885
1978-79	60	94,400	309	3,20,600	1773	4,31,800	3	56,35,185	64,81,985
1979-80	61	94,500	332	3,33,400	1775	4,32,000	3	64,05,185	72,155,085
1980-81	83	96,700	333	3,46,000	1744	4,62,400	4	87,64,241	93,74,341
1981-82	83	1,50,100	335	5,48,300	1806	4,75,500	5	2,37,05,185	2,48,79,085
1982-83	79	1,57,700	250	5,17,500	1871	5,17,500	5	2,37,05,185	2,48,79,085

There are four types of share holders :

- A Class Weaver's Co-operative Society.
- B Class Other Co-operative Society.
- C Class Industrial Members.
- D Class Karnataka Government & Financial Institutions.

Table III : 5 shows the shareholders and the share capital of the mill from the 1970-1971 to 1983-1984. In the year 1970-1971 the mill had a share capital of Rs. 50 lakhs with the 38 A shareholders, 223 B shareholders, 1,73,800. C shareholders and 3 D shareholders. Since then, the mill has succeeded in acquiring more and more increasing the share capital. In the year 1983-1984 the mill had share capital of Rs. 2,65,45,385 with 79 A shareholders, 250 B shareholders, 5,12,000 C shareholders and 5 D shareholders.

The mill management has realised that the existing capacity of 12096 spindles is not an economically viable unit. To make it economically viable unit, the mill has taken up the Expansion Programme to increase its spindles capacity from existing 12096 to 25536 spindles in the years. 1982.

As per the project report, the amount earmarked for building, plant and machinery and other expenses for expansion scheme is as under :

TABLE III : 6 : EXPANSION SCHEME

Sr. No.	Name of the assets	Amount in lakhs Rs.
1.	Building	55.86
2.	Plant & Machinery	224.66
3.	Pre-operative and other expenses.	109.48
Total Rs.		390.00

The Industrial Credit and Investment Corporation of India (Lead Banker of the Mill) has sanctioned an amount of Rs.220.00 lakhs as term loan and an amount of Rs. 180.00 lakhs has been released by them to the mill.

The physical progress of the building work after expansion programme is as under.

1. The main factory building work is completed, except some minor like work, door, fixing, drainage etc.
2. Administrative office building is completed.
3. Residential Quarters.
4. 'A' type quarter is completed.  
'B' type quarter is completed.  
'C' type quarter is completed (except wind fixing & flooring).  
'D' type quarter is completed (except paving stones).
5. Generator house is completed (except door fixing).
6. Canteen work has been completed.
7. Road : Construction of road from the existing main gate to Guest House and around the factory building is completed.
8. ERECTION WORK :  
The erection work of almost all machines is undertaken.  
Ring Doublers and one cone winding-machine has been completed.  
The Humidification work, false ceiling and electrification

work is nearing completion.

The newly erected machines are on trail run and commercial production would be started. The amount spent on various items of the project as on 31-5-1984 is as under :

TABLE III : 7 AMOUNT SPENT AFTER EXPANSION SCHEME

Sr. No.	Name of the work	Amount in lakhs.
1.	Civil work	47.68
2.	Plant and Machinery	229.53
3.	Misce. Fixed Assets.	42.92
4.	Pre-operative expenses.	12.54
	Total	332.67

Total amount spent on various projects after expansion programme is Rs. 332.67.



TABLE : III: 8 FULL PICTURE OF OVERALL DEVELOPMENT AND GROWTH  
OF THE MILL.

Sr. No.	Particulars	Amount in lakhs. Rs.
1.	<u>Total Share Capital</u> (Paid up)	2,65,45,385.00
2.	<u>Total Value of machines :</u>	
	i) Existing - 72.16	
	ii) Additional - <u>55.19</u>	128.17
3.	<u>Total Value of Building.</u>	
	i) Existing - 16.16	
	ii) Additional - <u>26.69</u>	42.85
4.	<u>Total Number of workers :</u>	
	i) Existing - 350	
	ii) Additional - <u>412</u>	762 workers.

ROLE OF MILL IN UTILISING HUMAN RESOURCES IN BIJAPUR DISTRICT

CO-OPERATIVE MILLS

The other objectives of the Bagalkot Co-operative Spinning Mill is to utilise available human resources and to provide employment opportunities to educated youths of this area.

According to its capacity it has appointed many graduates and matriculates in its different departments. In administrative wing, there are 7 graduates and two post graduates. In technical wing 8 graduates, 5 persons having B.Tech. degree, are working. The details of the man-power using in the mill is as follows :

1. Productive workers.	762
2. Administrative staff.	12
3. Technical staff.	26
4. Peons and watchmen.	13
5. Driver.	1
Total.	<hr/> 814 <hr/>

There are three Co-operative Spinning Mills in Bijapur district, working under Co-operative Sector. They are :  
Bijapur, Banahatti, and Bagalkot.

TABLE III : 9 ROLE OF BAGALKOT SPINNING MILL IN UTILISING  
HUMAN RESOURCES.

Sr. No.	Name of the Mill	Productive worker	Technical staff	Administrative staff	Peons & Watchman	Total
1.	The Bagalkot Co-operative Spinning Mill Ltd.	762	12	26	13	814
2.	The Bijapur Co-operative Spinning Mill Ltd. Bijapur.	854	25	30	-	909
3.	The Banahatti Co-operative Spinning Mill Ltd. Banahatti.	800	59	33	16	908

Table III-9 indicate the role played by Bagalkot Spinning Mill Ltd. Bagalkot in utilising the human resources in Bijapur district. There are 3 Spinning Mills in Bijapur district, i.e. in Bagalkot, Bijapur and Banahatti. In Bagalkot Spinning Mill Ltd. Bagalkot there are 814 employees including the workers, Technical, Administrator and minor staff. In Bijapur Co-operative Spinning Mill Ltd. Bijapur there are 909 employees including the workers and other staff. In Banahatti Co-operative Spinning Mill Ltd. Banahatti there are 908 employees including workers and other staff. The utilisation of human resources in Bagalkot Spinning Mill Ltd. Bagalkot is quite satisfactory.