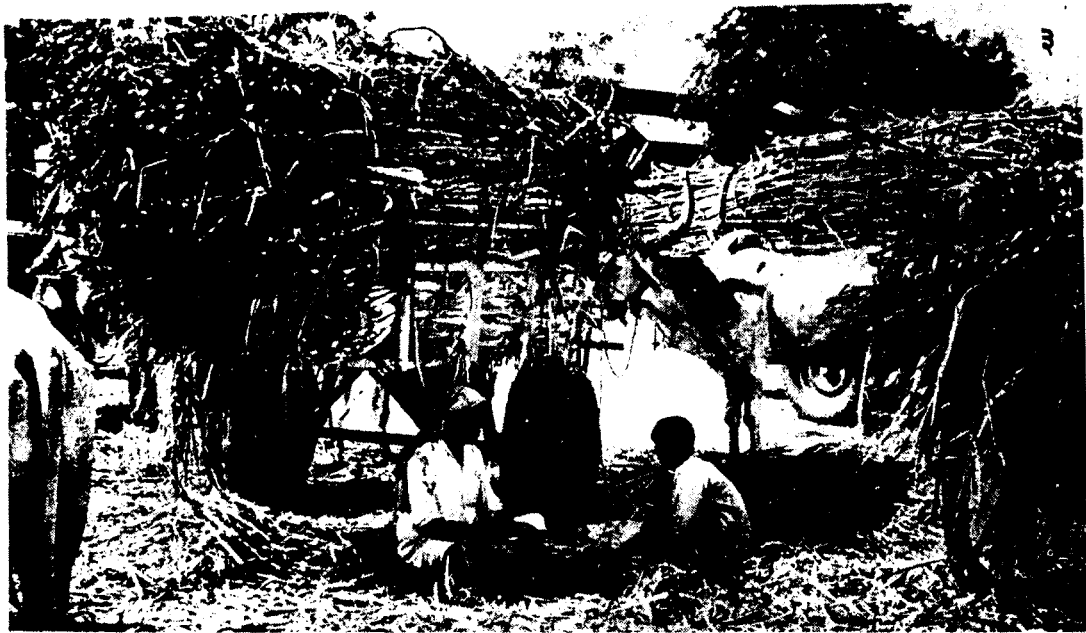


CHAPTER - 3



CHAPTER - III

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HISTORY OF SUGAR INDUSTRY IN INDIA

The sugar industry has gained very important place in Indian Industries. It has helped to improve economic conditions in rural India. It stand second among the important agricultural industries. The cotton industry stands first in India in contributing highest to the national income. The history and the development of Indian sugar industry is summed up in this chapter. :

ANCIENT SUGAR INDUSTRY :

There are some evidences that sugar was produced in India in ancient times. In " Rigvedas" it is written that sugar was used as the " Neivedha" in performing pooja to God. It has reference about sugar in the books of economics written by Manu and Kautilya. Alexander has written in his diary that sugar was produced in Hindustan before 400 B.C. In chinese Encyclopedea the information about sugar industry in Hindusthan is given. The king, " Tai Tsung" sent his men to the country known as " Magadha " in order to study about the Indian sugar Industry. The select committee of England has mentioned in its reports that sugar was used to be exported to England from Hindusthan about 1835.

With the help of such historical proofs, it can be said that sugar was produced in India in ancient times. But it is very difficult to determine when, how and who started sugar production first.

THE MODERN INDIAN SUGAR INDUSTRY

The modern history of Indian sugar Industry can be divided in two phases, such as :

- a) The Sugar Industry in pre-Independence period(1900 to 1947
- b) The Sugar Industry in post-Independence period(1947 to 1985)

PRE-INDEPENDENCE PERIOD (1900 to 1947) :

A few british capitalists set up a sugar factory in Bihar and Uttar Pradesh each and here it finds the commencement of the sugar industry in India, prior to independence. By this time the most modern technique of producing sugar came into use in Jawa, Sumatra, Maurisus, Brizil, Itali, West Germani, Cuba and Se=on. In these countries sugar was produced at the minimum cost.

In 1894 attempts were made to start sugar factories in Uttar Pradesh but without any success. So called old techniques of production, the Indian sugar industry could not stand to the competition of sugar industries in other countries. And so that india had to import sugar from countries like Jawa & Sumatra. In 1900 India had imported sugar worth Rs. 6/- crores. within a few years only this import of sugar was doubled.(Rs. 14 crores) Meanwhile an international conference held at Brussels was decided that India should not impose customs duties on the import of sugar. Due to this restriction the problems before the Indian sugar industry become severe rather than to be solved at the conference.

There were only six sugar factories in India till 1914. But later on because of the First world war the situation changed and there was a great demand for sugar at the international level. During 1914 to 1932 the following favourable incidents took place and that helped the growth of Indian sugar Industry.

- 1) Indian sugar-cane committee (1919)
- 2) A committee formed by The Indian Council of Agricultural Research (1929).
- 3) The sugar Tariff Board (1930)
- 4) The sugar Industry protection Act, 1932.

This act gave protection to Indian sugar and because of this the competition with foreign sugar came to an end. The period between 1932 to 1947 is known as protection period of sugar industry. Due to this fact India became self-dependent in the matter of sugar production. The number of sugar factories increased upto 137 till*1937. This protection was withdrawn on 31st Mar. 1947.

THE POST - INDEPENDENCE PERIOD (1947 to 1985) :

During this period the Indian sugar industry made a successful progress by leaps and bounds only because of the planned efforts.

(*Indian Economy - Mishra and Puri, Third Revised Edition
1985- page - 674)

The following data can give a clear picture of the wonderful progress.

TABLE NO. : 3:1

NUMBER OF SUGAR FACTORIES

Year	No. of Factories	Sugar Production (in lakh Tonnes)
1950-51	138	11.34
1960-61	174	30.21
1970-71	215	37.40
1977-78	288	64.72
1979-80	307	38.59
1980-81	315	51.43
1981-82	320	84.38(Highest)
1982-83	320	82.32
1983-84	339	58.89
1984-85	356	60.29

(India - 1980 - page 313 and India - 1982)

In the beginning of the post independence period there was a lions share of Uttar Pradesh and Bihar in the production of sugar. But now - a - days states like Maharashtra , Karnatak, Andhra Pradesh & Tamilnadu of South India have taken the place of U.P. & Bihar , Because in 1936-37 the sugar production of

of U.P. & Bihar was 85% of the total sugar production, but in 1980-81 ~~this ratio~~ this ratio came down to only 28%. On the contrary, the share of sugar production of the 4 states increased upto 80% of the total sugar production in 1980-81. And there was 40% sugar production of only the state of Maharashtra which was increased from 17% in the year 1960-61. The credit of the wonderful progress made in sugar production within the two decades goes to the co-operative sector in the four states. Realising the importance of this fact the Govt. of India adopted the policy that the sugar factories be started in the co-operative sector only. Besides this the Govt. is thinking of handing over the private sugar factories to the co-operative sector.

India has established a record by producing 84.38 lakhs tonnes of sugar in the year 1980-81.

CO-OPERATIVE SUGAR INDUSTRY :

During the planning period the Co-operative sugar factories has added more than half of the total sugar production. During 1977-78 49% of sugar production was done by the Co-operative sugar factories while in 1981 this ratio was 56%. In the year 1977-78, there were 132 sugar factories out of 288 were being run on the co-operative basis while in 1981 there were 154 sugar factories out of 328 were in the co-operative sector.

TABLE NO : 3:2 SUGAR PRODUCTION

Year	Co-Operative Production (lakh Tonnes)	Total Production (lakhTonnes)	Percentage
1975-76	20.33	42.62	47.7
1976-77	23.11	48.40	47.8
1977.78	31.73	64.72	49.1
1978.79	30.52	58.41	52.3
1979-80	20.32	38.59	52.7
1980.81	29.03	51.43	56.4
1981-82	46.04	84.38	54.6
1982-83	40.11	82.32	54.8
1983-84	31.88	58.89	53.9
1984-85	35.87	60.29	59.2

Table No. 3:2 will give clear picture of the sugar production made by co-operative sugar factories.

There are many purposes of entrusting the production of sugar upon the co-operative sector. It was thought that the development of rural India would be done more quickly, if the Indian sugar industry was developed on the principle of decentralisation. Moreover, the raw material that is needed by the sugar industry is available in the rural areas only. It was also the purpose to provide the advantages of the co-operative sector to the uneducated, ignorant and poor people in rural areas, by giving the share of profits made by sugar factories, In this way an attempt can be made to reduce the economic inequality in the society.

Co-operative sugar factories have become the centres for the development of rural India and so that there is a kind of hope for social and economic uplift of the people. Most of the sugar factories created employment in the rural area.

CO-OPERATIVE SUGAR FACTORIES IN MAHARASHTRA.

Because of the extensive cultivation of Sugar-Cane as a commercial crop in Northern India, the sugar industry was localised for quite some time in U.P. and Bihar. For instance, in 1936-37 85% of the sugar production came from these two states. Their share in 1960-61 also stood at about 60%. However, in last two decades the industry has developed at a fast rate in Maharashtra, Andhra Pradesh, Karnatak & Tamilnadu with the result that the share of U.P. and Bihar declined to around 28% in 1980-81 with the share of Maharashtra raising to 40% (from 17% in 1960-61). The production efficiency of southern mills is greater and cost of production lower than the mills in U.P. and Bihar. (Indian Economy by Mishra & Puri), Third revised edition 1985).

Even though the first co-operative was set up in 1933, the systematic development of the co-operative sugar movement can be traced to the pioneering efforts of the farmers of Ahmadnagar District who established a sugar co-operative, processing 500 tonnes of cane per day in 1948 under the able leadership of Late Vithe Patil at Pravaranagar.

In sugar cane supplies to private sugar mill growers faced a number of difficulties, this was a prime factor for a

desire that something be done to safeguard the interest of cane farmers. The first attempts were made for the development of cane co-operative marketing societies in U.P. and Bihar, which gave a measure of protection to the farmers, as mills were obliged to buy sugar cane only through these societies and they could, to some extent, bargain with the mill management. In Maharashtra, no such protection was available and farmers, adopted a different approach i.e. of combining together to form a co-operative to own the processing plant so that the benefits of value addition could be passed back to grower members. And now we see, over the years co-operative sugar factories have developed in all cane growing district of Maharashtra.

A PERSPECTIVE OF INDIAN SUGAR INDUSTRY.

The co-operative sugar industry has passed through a period of quick growth and the time has come for a consolidation of the gains. There are a number of instances of sub-optimal technical performance, lack of professionalisation of finance and management, inadequate attention to modern technology, inadequate capacity utilisation on account of lack of sugar-cane.

During the last decade, the profit centre has gradually shifted from sugar to the utilisation for its by-products. The co-operatives must formulate viable proposals for utilising by-products as the profitability from by-products is going to increasingly contribute to the viability of sugar mill. The National Co-op. Development Corporation has recently contributed a working Group to go into the viability of various options available to co-operatives in utilising by-products.

The main challenges ahead are in the fields of management and technology to the extent that co-operatives meet these will determine their future role in the development of the economy.

HISTORY AND DEVELOPMENT OF THE ORGANISATION :**INTRODUCTION :**

For quite a long time, Kolhapur district is the progressive district in the field of co-operation. It is also a leading district in the production of sugar in Maharashtra and most of the sugar factories are run on the co-operative basis.

Co-operative sugar factories are located in seven talukas of the district out of 12 talukas, such as, in Karveer at Kolhapur Kuditre and Parite, in Panhala at Kodoli and Asurle, in Kagal at Kagal and Bidri, in Hatkangale at Ichalkaranji, in Shirol at Dattanagar, in Gadhinglaj at Harali and in Chandgad at Chandgad. I have selected Gadhinglaj Taluka Sahakari Sakhar Karkhana Ltd., at Harali for survey. The survey has revealed the following features of the organisation.

GADHINGLAJ TALUKA SAHAKARI SAKHAR KARKHANA LTD.,**GENERAL :**

The factory under study is registered under section 9(1) of the Maharashtra State Co-operative Societies Act, 1960. The Registration number of this factory is KPR/PR-G(A)-6(S) dated 12. 2.1971 and its industrial licence number number is ILS 61/1974 dated 27.2.1974.

FACTORY LOCATION :

The Gadhinglaj Taluka Sahakari Sakhar Karkhana Ltd., is situated on the Kolhapur Chandgad road which is the state highway. The actual site of the factory is at Harali Khurd near about 7 M.M. from Gadhinglaj.

The factory has a well equipped sugar machinery with an installed daily crushing capacity of 1250 metric tonnes. In the year 1986-87 the expansion programme is completed and the unit has become having 2000 metric tonnes daily crushing capacity. Besides this the unit has completed the construction work of distillery and spentwash treatment plant in this current year. The factory has also well furnished departments and building for administration work.

Proper planning, scientific approach, use of better techniques and economy at all levels distinguished the factory from many other sugar factories in the Kolhapur district.

AIMS AND OBJECTIVES OF GADHINGLAJ TALUKA SAHAKARI SAKHAR KARKHANA LTD.

In Maharashtra few districts are always leading in sugar production of which Kolhapur district is one of them. Gadhinglaj taluka is the western part of the Kolhapur district and is followed by Karnatak boundary at the one end and at the another end the Ajara and Chandgad Talukas of Kolhapur district. In this area sugar cane is the main crop. (See the map of area of operation).

The main difficulty with sugar cane growers was marketability of sugar cane products. In this area it was the practice to make jagory from the sugar cane and to sell the same ^{to} "Dalais". The process of making jagory was very costly and labourious. Even though all farmers was compelled to make jagory from their sugar cane because of non availability of sugar factory. The farmers was also required to sell their product at a very low price. Hence it was the prominent need of the area to have a sugar factory. In near by Karnataka area there is sugar factory viz. The Hiranakeshi Sugar Factory at Sankeshwar but this was unable to crush the available sugar cane in Gadhinglaj and Ajara taluka.

This laid to the emergence of idea of having separate co-operative sugar factory for Gadhinglaj taluka.

There is no any type of industry in Gadhinglaj and Ajara Taluka which will create employment in this rural part. From the very beginning this factory aimed at for creating opportunities of employment for skilled and unskilled labourers which was the need of this undeveloped area.

This sugar factory is the outcome of the efforts of Shri Appasaheb alias P.R. Najawade, the ex M.L.A. of Gadhinglaj Constituency, now the founder chairman of the factory. Only because of his leadership the factory has made wonderful progress within a very short span of a period.

By this way the co-operative sugar industries which was flourish after independence of India, was rooted in Gadhinglaj taluka also. Formation of sugar factories on co-operative basis is the recent origin and proved beneficial to the sugar cane growers. Knowing this fact this factory is started with the only aim of becoming a centre place of Gadhinglaj taluka in the field of developmental work, and for the betterment of this area.

The very first crushing season was started on 23.11.1979 and this factory has completed 8th Crushing season on 28th Mar. 1987. During this period some historical events occurred in the life of the factory. Some of them are listed below, which will give the clear picture of progress made ^{by} the organisation.

HISTORICAL EVENTS :

23.11.1979 First crushing season started and at the same time wages of workers are fixed according to the wage Board.

7.1.1980 Sell of sugar started.

15.11.1980 Included under Incentive Scheme of Central Govt.

13.2.1981 Sanction of long term loan of Rs. 422.50 from I.F.C.I.

6.12.1981 Highest record of daily crushing capacity by crushing 2063 tonnes of sugar cane.

31.1.1982 Highest record of daily sugar production
(2955 bags)

1.7.1982 Provident Fund Scheme accepted.

1.11.1982 Housing accomodation for workers scheme started.

1981-1982 : In this crushing season crushing capacity is utilised @ 144%. In this season the price for sugar - cane was given Rs. 316/- per tonne and Karkhana stood 2nd in the Maharashtra in this respect.

20.4.83 Proposal for extension of crushing capacity.

8.7.1983 Distillery project submitted to Maharashtra Govt.

1982-83 : Highest record of sugar recovery 11.69%

22.9.1984 Permission for extension programme from
Central Govt.

14.2.1984 Distillery Project sanctioned by Maharashtra
Govt.

19.8.1985 Agreement to purchase machinery for extension
programme.

12.2.1986 & 13.2.1986 : Distillery Project machinery
order sent up.

24.3.1986 : ' Distillery Project ' construction work
started.

4.4.1986 Medium term loan of Rs. 175 lakh sanctioned for
extension programme by M.S.C.B. Ltd.,

17.10.1986 : National Co.op. Development Corporation
New Delhi sanctioned loan of Rs. 171.60 lakh for (Distillery)
Distillery Project.

23.10.1986 Seed capital of Rs. 100 lakh sanctioned by
M.S.C.B. Ltd.,

PRODUCTS :

The main product of the factory is white sugar. The quality of sugar produced is graded as below.

- i) M. 30
- ii) S. 30
- iii) L. 30

Other products of the factory are

- i) Molassis.
- ii) Bagas.
- iii) Press - mud

The factory has constructed a distillery plant with having advanced technique of "Zero Pollution " will produce alcohol as a by product in a near future.

FINANCIAL POSITION :

The organisation has built up a very sound financial position within 5 years only and now in the current year completed expansion programme increasing its daily crushing capacity, from 1250 tonnes to 2000 tonnes and also build up a distillery plant. This plan of expansion was taken into consideration only when the factory has repaid its Rs. 361/- lakh mortgage loan and now again raised a loan of Rs. 346.60 lakh for the new expansion programme.

The following figures show economical sound position of the organisation.

A) CAPITAL STRUCTURE :

	as on 30.9.81	as on 30.9.85
1) Authorised Capital	2,75,00,000/-	4,65,00,000/-
2) Issued Capital	2,40,00,000/-	3,55,00,000/-
3) Paid up Capital	1,95,31,692/-	2,44,75,436/-
4) Anamat Share Capital	18,52,455/-	12,21,514/-
5) Reserve Fund and other reserves.	1,67,09,455/-	3,81,29,180/-
6) Mortgage loans	3,96,88,714/-	35,32,436/-
7) Non-Mortgage loans	Nil	1,48,80,045/-
8) Deposits from Share-holders and other deposits.	1,21,18,307/-	3,53,13,700/-

During the year 1980-81 to 1984-85 the authorised capital of the organisation has increased from 2.75 crores to 4.65 crores. Out of this Rs. 3.55 crores capital are issued.

During the year 1980-81 to 1984-85 Reserve Fund and other reserves of the organisation has increased from Rs. 1,67,09,455/- to Rs. 3,81,29,180/-. It means within a period of five years it has increased more than double.

Likewise deposits from members and non-members and other deposits rapidly increased nearabout three times the figure of deposits in 1980-81.

The Above statistics clearly shows that the organisation's owned capital has become powerful and on the other hand, borrowed capital decreased because the organisation has repaid its mortgage loan to a great sizable extent and raised a non-mortgage loan of Rs. 1,48,80,045.

NET PROFIT /LOSS OF THE ORGANISATION :

The following table shows the Gross Profit and Net profit of the organisation during the years 1980-81 to 1984-85.

Year	Gross Profit Rs.	Net Profit Rs.
1980-81	33,58,928	-25,21,381 (Loss)
1981-82	86,12,734	18,17,734
1981-82	96,23,853	22,73,385
1983-84	69,85,853	51,738
1984-85	99,71,401	11,88,318

The above table shows that the organisation has earned a gross profit of Rs. 33,58,928 and a net loss of Rs. 25,21,381 in the year 1980-81 and hence shows that it has incurred indirect expenses like administrative, selling and distribution, maintenance, storage etc. to the amount of Rs. 58,80,309/- Like this in the years 1981-82 to 1984-85, it has incurred indirect expenses of Rs. 67,95,000, Rs. 69,33,907 and Rs. 87,83,083 respectively and hence earned a net profit of Rs. 18,17,734, Rs. 22,73,385 Rs. 51,738 and Rs. 11,88,318 respectively.

Every year's net profit is arrived at by making an appropriations from it for 20% bonus to shareholders, DSI contribution, Education fund, Molasis construction fund, Investment Allowance as per Income Tax Act and charging depreciation on unproductive assets as per the by laws of the organisation.

The net profit before making appropriations for the year 1984-85 is as follows : -

		Rs.
Net Profits (N.P.)		11,88,318
Add: Appropriations: Bonus	4,04,526	
D.S.M. Contribution	1,47,858	
Education fund	50,000	
Molasis Cons. Fund	1,92,174	
Investment allowance	1,41,976	
Depreciation on Unproductive Assets	<u>5,33,903</u>	<u>14,70,437</u>
N.P. Before Appropriations ;		<u>26,58,755/-</u>

PRODUCTION AND SALE :**PRODUCTION OF SUGAR :**

From the very beginning of this factory, the management has tried to utilise the full capacity of the factory and hence even if the installed capacity is of 1250 M. tons per day, the factory has worked intensively and crushed sugar-cane daily in the 1979-80 - 1267M. Tons. in 1980-81-1441 M. Tons, in 1981-82-1808 M. Tons in 1982-83-1854 M. Tons in 1983-84-1831 M. tons and 1984-85 - 1797 M. Tons.

In the year 1979-80, the factory has crushed sugar-cane of 120251 M. tons and in the year 1984-85 2,33,126 M. tons. And it has produced sugar 2,56,305 quintals in the year 1984-85 as against 1,27,754 quintals in the year 1979-80.

From the following table it is also clear that the average recovery rate of sugar per ton of sugar-cane crushed is ranging in between 10.64% in 1979-80 to 11.69% in 1982-83. In the year 1982-83, the average recovery rate is highest.

PRODUCTION OF MOLASSES :

The factory has produced molasses 11735 tons as highest in quantity as by-product in the year 1981-82 as against 5387 tons as lowest in the year 1979-80. The rate of molasses recovery with the total sugar-cane crushed is remained in between 3.64% in 1982-83 to 4.48% in 1979-80.

ANNEXURE

TABLE SHOWING PRODUCTION OF SUGAR AND MOLASSES DURING 1979-80 TO 1984-85

Particulars	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
1) No. of days of crushing	124	140	183	180	111	143
2) Sugar-cane crushed (Tons)	120251	161354	287486	301295	178245	233126
3) Production of sugar (Quintals)	127754	178212	33862	35955	210955	256355
4) Average Recovery (%)	10.64	11.01	11.63	11.69	10.77	11.00
5) Production of Molasses	5387	6120	11735	11015	6936	9616
6) Recovery Rate of Molasses (%)	4.48	3.79	4.09	3.64	3.83	4.13
7) Ratio of Bages with each tonne of sugar-cane.	30.13	29.03	29.38	28.95	32.25	30.74
8) Average Daily Crushing capacity (Tons)	1267	1441	1808	1854	1831	1797
9) Licensed & Installed capacity (Tons)	1250	1250	1250	1250	1250	1250

PRODUCTIONS OF BAGAS :

The ratio of bagas produced in the factory with each ton of sugar-cane crushed is remained as 32.23% as highest rate in the year 1983-84 as against 29.03% as the lowest rate in the year 1980-81.

The above information shows that the crushing season ended in 1982-83 has made a grand success in the history of the organisation. The season worked for 180 days crushing 3,01,295 M.Tons of Sugar-cane and producing 3,58,955 quintals of sugar with making record of obtaining recovery rate as 11.69% as the highest because the factory has made 150% use of its crushing capacity in this year.

SALES OF PRODUCTS :

Table No. 3;4 sale of products During the year 1981-82 to
1984-85 (in lakh B.)

Products	1981-82	1982-83	1983-84	1984-85
A) <u>SALES OF SUGAR</u>				
i) In open market	465.65	327.61	442.97	557.44
ii) Levy-Inland	284.63	494.70	553.91	493.39
iii) Levy-Export	-	30.15	82.95	-
iv) Gate sales Incentive.	131.59	53.49	89.85	129.89
Total :	881.87	905.95	1169.68	1180.72
B) <u>OTHER PRODUCTS :</u>				
i) Molassis	3.52	1.93	8.01	5.77
ii) Bagas	4.16	1.17	9.88	35.28
iii) Pressmud	0.36	0.55	0.36	0.46
Total :	8.04	3.65	18.25	41.51

From the above table No. 3;4 one can simply observe that the sale of sugar has increasing trend i.e. in the year 1981-82 it was amounting to B. 881.87 lakh which increased of 905.95 lakh in the year 1982-83. Again in the next year (i.e.1983-84) the sale of sugar increased to B. 1169.68 lakh and in the year 1984-85 it has reached to the level of B. 1180.72 lakh.

Secondly, the table can be observed that the quota of sugar for levy for inland and as well as export has increased in the years 1982-83 and 1983-84 which amounts to Rs. 524.85 lac and Rs. 636.86 lakh respectively. And therefore it affected the sale of sugar in open market and Gate sale and incentive as compared for the years in 1981-82 and in 1984-85.

The factory has earned an income from sale of other by-products such as molassis, Bagas and press mud amounting to Rs. 8.04 lakh in 1981-82 Rs. 3.65 lakh in 1982-83 Rs. 18.25 lakh in 1983-84 Rs. 41.51 lakh in 1984-85 (which is the highest income as compared for these four years concerned.

Among these by-products the sale of bagas occupies the important place because it earns 50% or more than that the income as receives from the sale of ^{by-}products.

VARIOUS SCHEMES OF THE FACTORY :

The chairman of this factory has taken keen interest in progress of the factory and hence it is becoming a central place of development of Gachinglaj taluka. To justify the statement the following developmental programmes undertaken by this organisation can be listed.

1. CANE DEVELOPMENT SCHEME :

Ample supply of sugar cane is the key for success of the factory in future. Realising the fact the organisation has undertaken an intensive programme of cultivating a new and better variety of sugar cane. It has made plan of cultivating co. 740 variety in 7500 acres of land and co 7219 variety 2500 acres and 2500 acres for co 7704 variety.

Immature sugar cane does not become beneficial for crushing. Therefore the above varieties are introduced because each and every variety matures one by one and hence the factory will get supply of matured sugar cane through out the whole season. It helps to maintain the recovery rate. The factory's sugar recovery are as follows :

TABLE NO. 3:5		RECOVERY RATE
Year	Recovery Rate (in % age)	
1979-80	10.64	
1980-81	11.01	
1981-82	11.63	
1982-83	11.69	
1983-84	11.77	
1984-85	11.00	

Like this all type of efforts are being made for the development of sugar cane raw product. The organisation has put up their plan to central Govt. of India to get financial aid from " Canesses Fund " of the Govt. and also seeking guidance from the Decon Sugar Institute, Pune, and Sakhar Sanchalanaalay, Pune about the technique of cultivation, use of water etc.

(2) SOIL TESTING LABORATORY :

At the site of the factory soil testing work is done and proper guidance is given to the farmers. The scheme of constructing laboratory for this purpose is under progress.

(3) WATER SCHEMES :

Because of dirth of irrigation schemes in this area, the factory has launched a scheme of borewell in the fields of farmers. In the last 2/3 years the factory had completed the work of 215 borewells out of which 149 borewells have become successful. Likewise the factory has introduced a plan of sprinklar watering in the sugar cane farms with a view of economical use of water.

(4) DEVELOPMENT OF ROAD AND MEANS OF TRANSPORT :

In the year 1981-82 the factory had completed two short-cut roads for the easy transport of sugar cane. For this purpose the grant of Rs. 3,00,000/- received from the Maharashtra Govt. out of sugar cane purchase tax. The length of road constructed was 3.735 km. and 10 small bridges.

In the year 1982-83 the grant for road construction was sanctioned Rs. 1,67,000/- and 2.860 K.M. length of road was constructed. Like this year by year the work of development of roads in the area of operation is going on.

Continuous supply of Sugar cane at the time of crushing is very important work. For this the factory has started a scheme of "God Sakhar Transport " in which 38 trucks , 46 tractors and 220 bullock carts are made available to the member farmers. For this bank loan is made available to them.

(5) FACILITIES FOR BACKWARD SMALL FARMERS :

According to the scheme of the Govt. of Maharashtra, the factory has given grant to backward small farmers in the form of sugar cane seeds, fertilisers and even some amount of cash. The beneficiaries and the grant distributed are as follows :

Year	TABLE NO. 316		NO. OF BENEFICIARIES	
	No. of Farmers (Beneficiaries)	Cultivated Land (acre)	Grant	
1981-82	23	9.36	22275	
1982-83	57	24.25	47061	
1983-84	43	21.08	30930	
1984-85	33	16.06	18967	
1985-86	18	10.26	6513	
	174	81.01	127746	

(6) PLANTATION :

This factory provides a variety type of plants to the Landholders and guide them to make successful the plantation programme. This work is done by the "Agriculture" department of the factory. This plantation helps the growers to earn some money by selling its fruits in the market. The work done by the factory may be proved with the help of following data.

TABLE NO. 3:7

Year	No. of Plants Distributed	No. of Farmers Beneficiaries
1983-83	6154	518
1983-84	3673	436
1984-85	4093	435
1985-86	3000	175

7) SCHEME OF BIOGAS PLANTS :

This scheme is started from the year 1983-84 , with a view of implementing a twenty point programme of the Govt. In the year 1983-84 62 Biogas plants and in the year 1984-85 100 plants are constructed and given an advantage of 20% subsidy amounting to Rs. 2,95,851 to 162 members of the factory.

8) LABOUR WELFARE ACTIVITIES :

Besides the above creative work and realising the importance of human resources, the management of the factory has given due importance to the labour welfare activities. The factory has constructed 175 well-equipped ^{quarters} for their workers and provided it to them on a very cheap rental basis. This serves the need of housing accommodation for the workers. Also essential grains are made available at rationing shop run by employees credit co-op. society which satisfies the workers need of loan finance.

Besides the above the factory has started bus-service to the college students from their workers' colony to Gadhingiaj and back. The workers who are not residing at the site of factory are helped to purchase scooter or bicycles by getting loan from Bank. Last but not the least, the factory has given 20% bonus to their employees and also given 4 kg. of sugar per month at the gate to employees, at the cheap rate in the year 1984-85 199 bags of sugar distributed as gate sell sugar amounting to Rs. 62224/-

BOARD OF DIRECTORS :

The board of directors of this factory consists of 17 members who are elected from various categories of the shareholders of the factory. These categories are as follows

- i) Ten directors are elected from shareholders who are persons.
- ii) Four directors are elected from member co-operative societies which are shareholders of the factory.

Among these four directors one post is reserved for backward class (B.C.) persons, one post is reserved for technician who is not elected but co-opted and one post is reserved for employees' participation in management i.e. for employees' proxy.
- iii) One director who is nominee of Maharashtra State co-op Bank Ltd., Bombay.
- iv) One director who is nominee of the Maharashtra state government.
- v) One ex-officio director who is executive director of the factory.

The tenure of the board is for five years and after the expiry of such period a new board is elected in the Annual General Meeting of Shareholders.