

C H A P T E R - I V

PROFILE OF THE ORGANISATION UNDER STUDY

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CHAPTER - 4PROFILE OF THE ORGANISATION4.1 INTRODUCTION

In this chapter in the beginning brief idea of the region in which the unit under study is located has been given and in the latter part of the chapter historical background of the organisation is presented in order to give full idea of the environment in which the organisation under study has been operating.

4.1.1 PROFILE OF PANDHARPUR TALUKA(a) LOCATION :

Solapur District is one of the six districts of Pune Division, situated on the south east fringes of Maharashtra State and lies between 170.10' and 180.32' north longitude and 740.42' and 750.15' east longitude. The Pandharpur Tahsil is forty miles to the west of Solapur and border of Mohol, Mangalwedha, Sangola and Malshiras tahsils.

(b) POPULATION

As per the 1981 census the total population in Pandharpur tahsil is 2,37,568 are shown in the following Table No.4.1.

TABLE : 4.1

TABLE SHOWING THE POPULATION OF THE
PANDHARPUR TAHSIL IN 1981

Sex	RURAL	URBAN	TOTAL
MALE	89,440	33,489	1,22,847
FEMALE	83,791	30,930	1,14,721
TOTAL	1,73,231	64,337	2,37,568

(c) RIVER :

In Pandharpur Tahsil, the chief river is Bhima (Chandrabhaga) which rises in the Sahyadries at Bhimashankar in Khed tahsil of Pune District. It flows south-east through Pune, Ahmednagar and Solapur district of Maharashtra State.

(d) RAINFALL

The study of rainfall is also most important. The meagre rainfall is received from south-west as well as north east monsoon. The analysis of rainfall data during the year 1987 and 1988 are shown in the following table No. 4.2

TABLE : 4.2

TABLE SHOWING RAINFALL DURING THE PERIOD
(1987 and 1988)

MONTHS	RAINFALL (In Milimeter)	
	1987	1988
JUNE	171.8	112.0
JULY	101.0	174.0
AUGUST	228.5	165.0
SEPTEMBER	176.0	481.0
OCTOBER	312.5	6.5
NOVEMBER	61.8	-
DECEMBER	155.5	27.0
TOTAL :-	1,207.1	965.5

(e) TOPOGRAPHY

There is no important hill system in the Pandharpur tahsil. The topography of the tahsil belongs to Western Zone of the Solapur district.

(f) AREA AND SOIL

The total geographical area of the Pandharpur Tahsil is a 1303.6 K.M. The geographical foundation of soil prevailing in Pandharpur tahsil mainly of deccan trap of

volcanic origin. The soil is underlain by partially decomposed basaltic rock, locally known as "Murum" which overlies percent material, on account of more or less complete absence of leaching the soil are lase, the exchange, calcium being the predominate climate. The soil is poor and capable of producing millets only.

(g) AGRICULTURAL CROPS

There are two main agricultural seasons in the Pandharpur tahsil viz. Kharip and Rabbi.

A) In Kharip season, crops are cultivated like :

(i) Cotton, (ii) Groundnut, (iii) Bajari, (iv) Maize
Peddys etc.

B) In Rabbi season, crops are cultivated like :

(i) Jawar, (ii) Wheat, (iii) Grains etc.

Generally rainfall crops on a large scale and are irrigated whatever, the irrigation facilities are available.

The total geographical area of the Pandharpur tahsil were cultivated 1,16,811.17 hectors. These are shown in the following table No. 4.3.

TABLE : 4.3

TABLE SHOWING THE TOTAL AREA OF THE CROPS
IN PANDHARPUR TAHSIL

TOTAL AREA		: AREA UNDER IRRIGATED		: AREA UNDER NON	
		: CROPS.		: IRRIGATED CROPS	
Hector	: Gunthe	Hector	: Gunthe	Hector	: Gunthe

1,16,811	17	94,785	86	22,025	31

(h) FORMATION OF SUGAR INDUSTRY

The knowledge of sugarcane cultivation is available from earlier time on this region. At the begining before the establishment of sugar factory in the Pandharpur tahsil, Sugarcane cultivated by few farmers only for preparing 'Gur' Then Shankar Sahakari Sakhar Karkhana, Shripur Sugar Factory, and Yeshwant Sahakari Sakhar Karkhana were established near about 30 to 50 Km. away from the Pandharpur tahsil. Some rich farmers used to grow and self of sugarcane to that factory. This tendancy then spread all ovef the region. But the farmer had to face difficulties of roads & means of transport. Therefore the development of cultivation sugarcane was not possible to the sugarcane cultivators in Pandharpur tahsil.

BEFORE THE INCEPTION OF ELECTRICITY

The rural electrification programme has given the more importance from the e implimentation third five year plan. But before this such irrigation schemes are operated in wells and Bhima river by means of oil engines. Therefore the cultivation of cash crops were reduced.

AFTER THE INCEPTION OF ELECTRICITY

After the inception of electricity the Schemes of irrigation are properly developed. And due to this yield per acre of almost all crops increased. The introduction of elecrrricity in this region helps to the farmers to lower the cost of irrigation.

From this background, it is necessary to establish a sugar factory in the Pandharpur tahsil. Due to this, ' SHRI VITHAL SAHAKARI SAKHAR KARKHANA LTD: VENUNAGAR, GURSALE, " are established near the Gursale village which is 10 Km. away from Pandharpur.

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4.2 PROFILE OF THE ORGANISATION

Here historical background of 'SHRI VITHAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR, GURSALE' has been studied alongwith general performance and it's growth during the period of 1980-81 to 1985-86.

(A) HISTORICAL PERSPECTIVE

For quite a long time, Solapur district has been a progressive district in the field of co-operation. There are eleven talukas in the district. At present there are eight co-operative sugar factories located in five different talukas of the district. For example^{In} Malshiras taluka at Sadashivnagar, Akluj, Shripur and Malinagar. In Pandharpur taluka at Gursale, in Barshi Taluka at Irle Vairag, in Mohol taluka at Sikandar Takali and in south Solapur at Kumathe.

For the purpose of the study in hand researcher has selected a sugar factory located in Pandharpur taluka entitled as " SHRI VITHAL SAHAKARI SAKHAR KARKHANA LTD., VENUNAGAR, GURSALE, which is 10 Kms. away from Pandharpur. Pandharpur is a taluka place and is extremely famous as a holly place where Shree Vithal Rukmini Temple is situated on the bank of Bhima River (Chandrabhaga). It was a dream in the year 1973 of the farmers to stand on the bank of Bhima River in the form of SHRI VITHAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR, GURSALE. All those farmers having the idea of starting a sugar co-operative came together and thought over the

necessities to start this kind of organisation. Prior to this the attempts made to establish sugar factory at 'Chale' a village 5 Kms. away from the Pandharpur and 'Patwardhan Kuroli' another village located in the region, could not achieve the goals. The reasons of failure were the least affinity among the farmers, political selfishness, vested interest and economic interest. It was seriously determined that the farmers of this region and the leader Shri A.K.Patil (Ex.M.L.A.) alongwith his team of devoted persons were undertook the mission. The serious efforts were necessary for actual establishment of the factory and the systematic canvassing was done among the farmers. Now it was necessary to satisfy the State Government Authorities to complete the technical paper formalities proceeds to seek the permission of the Central Government. The Central Government was highly pleased to sanction the 'SHREE VITHAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR, GURSALE, under the industrial licence Number IL/53/73, dated 10-2-1973.

(B) REGISTRATION

SHRI VITHAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR, Gursale, was registered under section 9(1) of the Maharashtra State Co-operative Societies Act, 1960 on 10th of November, 1974. The registration number of the factory is SUR/PRG/(A)4... And it's industrial licence No. I.L.53/73 ,dated 10-12-1973, for the purpose of crushing 1250 T.C.D.

Immediately after the registration a contract was

made for purchasing machinery and actual functioning was started in the year 1979-80.

In the beginning the factory had a plant having 1250 M.T. crushing capacity up to 1984-85. In the year 1985-86 the crushing capacity was increased to 2000 M.T. per day for which a new licence was issued under F.L.395(85) dated 9-12-1985.

(C) FACTORY LOCATION

Presently in Solapur district, there are eight Sugar factories, out of which six factories are in Co-operative sector and remaining two factories are run by private management. These factories are located in different talukas of the Solapur district such as Pandharpur, Malshiras, Mohol, Barshi and South Solapur. The unit under study, ' SHREE VITMAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR, GURSALE ' is located in Pandharpur Taluka, on the bank of Bhima River near the village of Gursale which is 10 Kms. away from the Pandharpur on North. The area of operation consisted of 82 villages out of these 78 villages are from Pandharpur tahsil and 4 are from Mohol tahsil. Presently the area of operation of the factory covers 101 villages as shown in Annexure.....

D) AIMS & OBJECTIVES

The aims and objectives of the factory as listed in the Constitution of the factory and bylaws are as ...

- (1) Growth of Agricultural Production.
- (2) Adoption of Scientific and Modern methods of agricultural production.
- (3) Provision of good quality sugarcane for better production of sugar.
- (4) To create the habit of savings among the member shareholders.
- (5) To establish new industrial units based on by-product in the process of sugar production.
- (6) To provide employment opportunities to its operational area.
- (7) To do all possible efforts for alround development of shareholders through convenience and institutional multi-purpose efforts.

Thus the factory was not just to be a manufacturing and profit seeking industry but alround development of the area of operation through its co-operative organisation and to help rural population in all round progress.

(E) MEMBERSHIP

It is observed that any farmer in this area who grows sugarcane can become a member of this Karkhana. Special concession is given to backward class members. Any backward class farmer can become a member by paying some amount according to the rules of factory, towards initial share capital.

Follwing table shows the membership of the factory for the period 1980-81 to 1985-86

TABLE NO :4.4

TABLE SHOWING THE MEMBERSHIP OF THE KARKHANA
DURING (1980-81 to 1985-86)

<u>YEAR</u>	<u>: TOTAL NUMBER OF MEMBERS</u>
1980-81	4,775
1981-82	4,775
1982-83	4,799
1983-84	4,925
1984-85	5,165
1985-86	5,428

(F) MEMBERSHIP & SHARE CAPITAL

In the year 1980, the beginning year of the sugar factory, the Share capital was Rs. 202.75 lakh and by annual report year 30 September, 1981, the share capital increased to Rs. 203.56 lakh. After that increase in the paid up share capital was Rs. 269.77 lakh in the year 30 Sept. 1986. At the beginning of the factory, the value of each share was Rs. 1000/-. In the year 1985-86 the value of each share become Rs. 2000/-. The share capital are collected from sugarcane producer members Co-operative society and Government of Maharashtra. Following table shows the number of shares and amount contributed during the period 1980-81 and 1985-86.

TABLE : 4.5

TABLE SHOWING NUMBER OF SHARES AND AMOUNT
CONTRIBUTED DURING (1980-81 and 1985-86)

PARTICULARS	1980-81		1985-86	
	No.of	Share	No.of	Share
	shares:	Capital	shares:	Capital
	Rs.	Rs.	Rs.	Rs.
1) Producer member	6,191	5,46,68,770	6,883	89,10,359
2) Co-Op.Society	123	1,20,750	122	1,20,500
3) Government of Maharashtra.	14,750	1,47,50,000	16,500	1,65,00,000
4) Government of Maharashtra (Under N.C.D.C. Shares).	-	-	-	12,15,000
5) Sympathizer Members.	-	-	268	2,30,511
6) Anamat	-	16,750	-	-

4.3 MANAGERIAL ASPECTS :

In this chapter the managerial aspects of different functional areas of 'SHREE VITHAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR,GURSALE' have been discussed an attempt has been made to throw light on the organisational structure, functioning pattern of various departments, such as finance

accounting, personnel, production, and sales department.

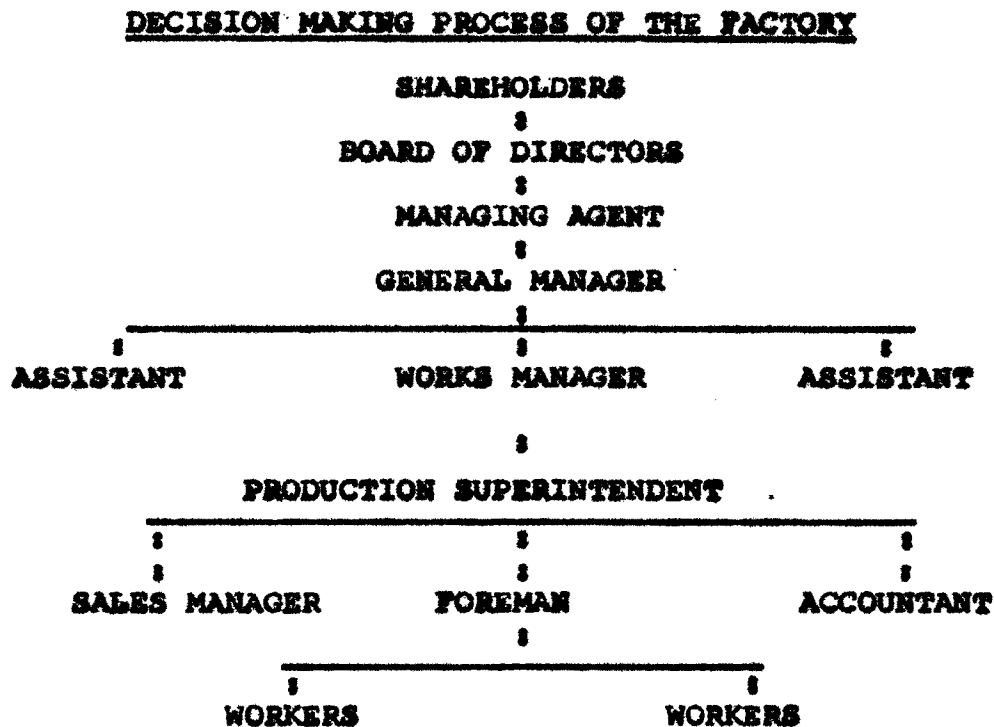
a) BOARD OF DIRECTORS

The management of 'SHREE VITHAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR, GURSALE' is entrusted to the board of directors elected by shareholders as their representatives on the democratic line. The composition of board of directors is as under :-

1. Out of total members, 15 directors are elected from the shareholders.
2. One director is elected from institutional members i.e. all co-operative societies operating in the area of sugar factory.
3. One member is co-opted as an expert from the existing shareholders by the directors.
4. Two members are nominated by the elected members are of the board from the shareholders belonging to the backward communities.
5. One director is nominated by Maharashtra State as its' representative on the board of directors of the factory.
6. Two employees representatives are nominated by the directors.
7. One member of Government of Maharashtra State are is nominated by the State Government on the Board.
8. Managing Directors remain on the board of directors as executive official members.

b) CHAIRMAN AND VICE CHAIRMAN

The Chairman and the Vice-Chairman are elected by directors. All policy decisions are taken in director's meeting. For this purpose they meet once in a month. In the absence of the Chairman, Vice-Chairman presides over the meeting. The decision-making process of the factory are shown in the following Chart :



In addition to board of directors there are 10 working committees consisting of officers of the factory and some of the directors.

Some of the committees are as mentioned below:-

- i) Executive Committee, ii) Purchase & Sales committee
- iii) Share committee iv) Construction committee,
- v) Sugar cane transport committee, vi) Sugarcane development

committee, vii) Sugar sales committee, viii) Transportation Division Committee, ix) Arkshala committee & x) Education Development committee.

c) MANAGING DIRECTORS

The managing director is the chief executive and administrative head of 'SHRI VITHAL SAHAKARI SAKHAR KARKHANA' who looks after routine nature work with the help of functional heads of the various departments. Some of the important departments are shown in the following chart :

D E P A R T M E N T S

Administrative Department.	Account Department.	Stores Department.	Agricultural Department.	Engineering Department.	Manufacturing Department.	Time Office: Department.	Labour Department.	Cane Development Department.
a)Administrative Officer	a) Chief Accountant	a) Storekeeper b) Assistant	a) Agricultural Officer	a)Chief Engineer	a)Chief Chemist b) Senior Chemist.	a) Time- keeper	a)Labour welfare	a) Cane Development
b)Assistant	b)Assistant Accountant	Storekeeper c)Staff.	b)Agricultural Overseer	b)Senior Engineer	c) Junior Chemist	b)Assistant time-keeper	b) Staff	Officer b) Staff
Administrative Officer.	c) Staff		c) Staff.	c) Staff.		c) Staff		
c) Officers					d) Staff			
d) Purchase Staff.								

d) ADMINISTRATIVE DEPARTMENT

The division is headed by an 'Administrative Officer' who directly reports to the Managing Director and is assisted by ministerial staff. He is not only responsible for selection, and recruitment, but also in all the Administrative activities of the Factory.

4.4 AREA OF OPERATION

According to present by-laws the factory covers 101 villages as per the list attached in appendices. It has been shown in the following table and presented in the map.

TABLE : 4.6

TABLE SHOWING VILLAGES SUPPLYING SUGARCANE

DURING (1980-81 to 1986-87)

YEAR	No. of villages : Inside the area	No. of villages : Outside area	Total number of : villages.
1980-81	82	159	241
1981-82	83	182	265
1982-83	87	82	169
1983-84	84	77	161
1984-85	88	70	158
1985-86	89	-	89
1986-87	92	-	92

4.5 PROGRESS OF CANE CRUSHING

Sugarcane supply is crucial aspect of the sugar

industry which highly depends on the sugarcane cultivation by the farmers. Motivating farmers to grow more and more sugarcane it become first and foremost of the factory. The effectiveness of the efforts taken are shown by the figures of the total cane supplied to the factory. During the period covered under study by the following table.

TABLE : 4.7

TABLE SHOWING THE SUGARCANE CRUSHING DURING
(1980-81 to 1985-86)

YEAR	CANE CRUSHING (M.T.)
1980-81	1,27,463
1981-82	2,67,434
1982-83	3,40,418
1983-84	1,78,928
1984-85	2,68,440
1985-86	2,68,440

SHREE VITHAL SAKKARI SAKHAR KARKHANA LTD. VENTNAGAR, GURSALE
TAL. PANDHARPUR, DISTRICT SOLAPUR

CANE CRUSHING (M.T.)

(M.T.)

4.25
4.00
3.75
3.50
3.25
3.00
2.75
2.50
2.25
2.00
1.75
1.50
1.25
1.00
0.75
0.50
0.25

1980-81 1981-82 1982-83 1983-84 1984-85 1985-86

X-
YE

1 C.M. = 25,000 (M.T.)

4.6 SUGAR PRODUCTION AND RECOVERY RATE

Sugar production and Recovery rate of the factory are shown in the following table :

TABLE : 4.8

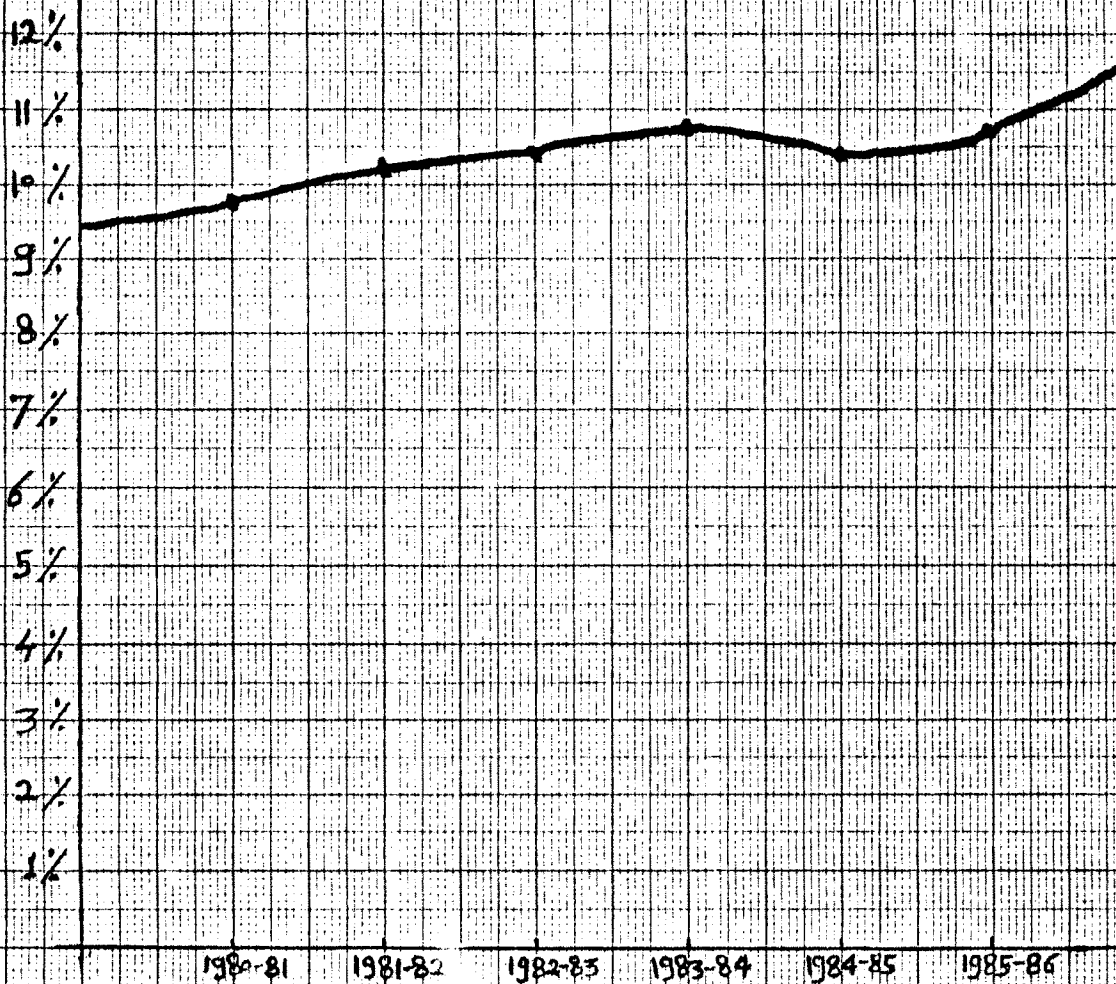
TABLE SHOWING PRODUCTION AND RECOVERY RATE
DURING (1980-81 to 1985-86)

YEAR	SUGAR PRODUCTION (In quintals)	RECOVERY RATE (In %)
1980-81	1,24,727	9.79
1981-82	2,73,439	10.20
1982-83	3,52,404	10.35
1983-84	1,91,749	10.72
1984-85	2,79,397	10.42
1985-86	3,24,837	10.65

...000...

SHRI VITHAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR, GURSALE
TAL. PANDHARPUR, DISTRICT SOLAPUR.

SUGAR RECOVERY (IN %)



1 C.M. = 1 %

ORGANISATION CHART

SHRI VITHAL SAHAKARI SAKHAR KARKHANA LTD. VENUNAGAR, GURSALE, TALUKA PANDHARPUR, DISTRICT SOLAPUR

BOARD OF DIRECTORS

CHAIRMAN

VICE CHAIRMAN

MANAGING DIRECTOR

DEPARTMENTS

Department	Account Department.	Stores Department.	Agricultural Department.	Engineering Department.	Manufacturing Department.	Time Office: Labour Department.	Cane Development Department
a) Administrative Officer	a) Chief Accountant	a) Storekeeper b) Assistant	a) Agricultural Officer	a) Chief Engineer	a) Chief Chemist b) Senior Chemist.	a) Time- keeper b) Assistant time-keeper	a) Cane Development Officer
b) Assistant Administrative Officer.	b) Assistant Accountant c) Staff	Storekeeper c) Staff.	b) Agricultural Overseer c) Staff.	b) Senior Engineer c) Staff.	c) Junior Chemist d) Staff	b) Staff c) Staff	b) Staff
c) Officers							
d) Purchase Staff.							