
CHAPTER-III

**HISTORICAL BACKGROUND, GROWTH AND
DEVELOPMENT OF SHRI WARANA
SAHAKARI SAKHAR KARKHANA LTD.,
WARANANAGAR.**

HISTORICAL BACKGROUND AND GROWTH AND DEVELOPMENT
OF SHRI WARANA SAHAKARI SAKHAR KARKHANA LTD.,
WARANANAGAR.

1. INTRODUCTION :

The first sugar factory was set up under the co-operative principle was established at Pravaranagar in the Ahmadnagar District and proved that the agro-industrial processing industries can be running successfully under the co-operative principle especially in Maharashtra State. This impots put forth by Pravara Sahakari Sakhar Karkhana, the some further rolling and now we see more than hundred co-operative sugar factories are established in the State of Maharashtra. Out of which - co-operative sugar factories are situated in Kolhapur district. This the clearly indicates that the challenge given by the Government for the establishing co-operative processing industrial units for agricultural produce was well accepted in Kolhapur district in the year 19

An agriculturists of this region have been producing sugarcane crop for the last two three generations. They took this opportunity of the policy of the Government and put their demand for a co-operative sugar factory.

Unprecedented depression in 1951, literally ruined farmers in this area and they had to burn out their sugarcane rather than making gur and selling it at throw away price. Shri V.A. Kore was anguished to see the condition of farmers and he decided in the year 1954, to setup a modern co-operative sugar factory as a first step towards economic uplift to the farmers and alround development of the Warana valley. But to convince orthodox minded farmer of the idea of setting up a Sugar Factory owned and managed by the farmers themselves, was an uphill task. But, Mr. Kore, with dreams of prosperity of the area before him, set out with a bunch of like minded and devoted social workers, visited almost all farmers of the 80 villages, personally talking with them till they were convinced of the idea. Next hindrance was raising of cash for share amount. There were very few, who had the cash in hand. Others had to part with the precious belongings including ornaments, livestock and other movable property.

With such ceaseless and devoted efforts for two years the society was registered on 27th September, 1955 under the Co-operative Societies Act.

Thus, the promoters started collecting the share capital Campaign from December 1954. And within this period the Share Capital collected about Rs.60 lakh's from the maximum number of 1768 members.

To manufacture the sugar machinery in the country with absolute minimum imported components and the promoters of this

factory did not taken any mistake and took the opportunity to accept me of such plants manufactured by Textile machinery corporation Ltd., Calcutta. It was not doubt, a difficult task to the transport of this machinery from Calcutta to our factory and erecting the same within the stipulated time granted by the Government. However, with the Herculene efforts of all the Co-operators all the works were completed within the prescribed period and the factory commenced the sugar production by 1959-60 crushing season.

The area of operation of the 'Warana Sahakari Sakhar Karkhana Ltd., Warananagar comprises of 66 villages from the five talukas viz. Hatkanangale, Panhala, Walwa, Shirala and Karvir. The farmers were accustomed to correct their sugarcane into jaggery and had to be convienced of the advantages which they can get from this factory and improve their living, educational and social standards. For this purpose the management of this sugar factory had to concentrate its efforts on the economic working of the factory, so as the to enable it to pay higher sugarcane price than what they could realise from the conversion and sale of jaggery in the present market.

Then though in the initial stage the area of operation of this sugar factory was of 66 villages, it has now extended the same to supply the sugarcane under the factory area and out of the factory area are the 191 villages.

2. AIMS AND OBJECTIVES :

The Warana Sahakari Sakhar Karkhana Ltd., Warananagar is running under co-operative principles with the under mentioned broad aims and objectives, which are provided in its laws. The aims and objectives are as following :

i) To improve the economic conditions of the agricultural producers, through co-operative processing and marketing of their agricultural produce, especially of sugarcane and products obtained therefrom.

ii) To undertake such other activities that are incidental and essential for the above object.

iii) To undertake all such activities as are conducive to all round development and welfare of the people residing in the area of operation of the factory.

Though the above mentioned aims and objects that the management of this sugar factory has to pursue the upliftment of the all round welfare of the primary producers of sugarcane through co-operative efforts. Though the sugar factory concentrating their endeavours on the aim of giving maximum cane turn for their agricultural produce, it is not only the aim of maximizing the profits. But many other activities are to be conducted successfully in the area of operation. The sugar factory's aim is not making the profit but it has developed agriculture.

3. MEMBERSHIP :

There were only 1768 individual sugarcane producer members and 25 co-operative society members. In 30th September, 1981 were 9500 individual sugarcane producer members and 54 co-operative society and government of Maharashtra was 1, and at the present as on 30th September, 1989 were 12,469 individual sugarcane producer members and Government of Maharashtra and Co-operative Society (Class B Members) were 84. From these figures it can be broadly stated that it is the real co-operative sugar factory, owned managed and running by the farmers themselves.

4. MANAGEMENT :

Thus, the elected representative of the producers members, a provision has also been made in the bye-law to have representations of the various other agencies through their nominees, with a view to control the day to day business of this sugar industry.

- i) Nominee of Maharashtra State Co-operative Bank Ltd.,
Bombay.
- ii) Nominee of State Government.
- iii) Nominee of the Kolhapur District Co-operative Bank
Ltd., Kolhapur.

This provision have been made with a special view to safe-guard the interests of their own fields.

In the recently Government of Maharashtra has erected and modified this by-law and made provision to accommodate the representatives of backward class and small land holders below the line of poverty. Then the period of the office of the Board of Directors of this Sugar Factory is for five years and the Chairman and Vice-Chairman are elected from amongst the elected members each every years.

The Managing Director is an ex-official member and Executor of the Board of Directors and is appointed with the prior permission of the State Government of this Sugar factory.

5. ORGANISATIONS :

As regards the management, the administrative set up all the heads of the departments are subordinate and responsible to the managing director, who is again responsible to the Board of Directors. The decisions are always taken with due to the consultation and through discussions with the Board of Directors in their meeting concerted for the purpose if any difficulty arises. In order to improve the efficient working of the sugar factory, the harmonious relationship amongst the staff and the Board of Directors are maintained.

A chart showing the organisational set up of this sugar factory is displayed on a separate sheet.

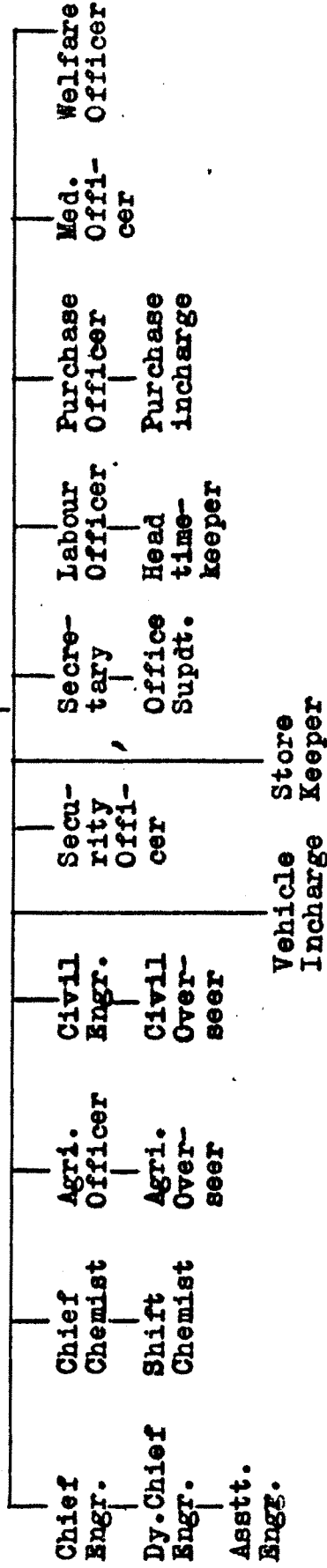
ORGANISATION CHART

SHRI WARANA SAHAKARI SAKHAR KARKHANA LTD., WARANANAGAR

BOARD OF DIRECTOR

CHAIRMAN

MANAGING DIRECTOR



6. CAPITAL :

In the initial stage the finance required was of Rs.137 lacs for the plant and machinery with installed the cane crushing capacity was enhanced 3000 TCD an expenditure of Rs.415.49 lacs was done and in order to achieve the cane crushing capacity of 4000 TCD, the plant and machinery total amount of Rs.2,480.59 lacs. Now the total capital of Rs.1.45 Crore, it included the share capital of Rs.5 lacs and other remaining loans from M.S.C.Bank Ltd., Bombay and Kolhapur District Co-op. Bank Ltd., Kolhapur.

7. DEVELOPMENT SCHEMES :

It has been taken into consideration the under mentioned facts, the Board of Directors have been active enough to the implementing the intensive sugarcane development schemes for the benefit of the producer, share holders in particular and sugarcane producer in the general.

- i) Average rainfall in the area,
- ii) Land holding of the members,
- iii) Maturity period of the sugarcane,
- iv) Geographical conditions of the area,
- v) Feasibility of Adsali sugarcane crop,
- vi) Hindu joint family cultivation base,
- vii) Joint farmers system or Phad System of sugarcane cultivation.
- viii) Soil testing scheme.

Some of the above mentioned points are inter-related of them are completely in contrast. It is the desire of the management, all the while, to co-relate all these points to the best of its advantages with a view to find out a golden mean for the better upliftment of the people in general and the member in particular in the area of the operation of this sugar factory. It is accredited to the sugar factory that the Karkhana has been successful enough in showing an upward trend in attaining the desired goal of progress which can be seen from their annual reports. The every efforts is being made to improve the quality and yield of cane seedlings and fertilizers as well as members are made available to the number and also to those who are supplying their sugar cane to this sugar factory. Similarly the services of the trained agricultural staff are also put at the disposal of the producer members for guidance and supervision. In order to protect the sugarcane crop, from diseases use of proper pesticides is also advised. An impetus to purchase modern agricultural implements is being given to the members by standing guarantor for the payment thereof.

About the one hundred fifty miles of roads have been constructed and maintained by the sugar factory in the area of operation in order to have smooth transportation of sugarcane for crushing. Almost care is being taken upto execute the planned programme of harvesting and transport of sugarcane

expeditiously and efficiently with the full co-operation and co-operation of the engineering, agriculture, manufacturing departments. An independent Agricultural Development Department is set up to execute the agricultural development programme. The department is managed by highly qualified personnel with experience.

The department guides the cultivators in the agricultural operations to improve the quality and yield of crop by modern and scientific methods of cultivation.

The factory has a well equipped soil testing laboratory where about 15,000 soil samples are analysed annually for N.P.K., pH conductivity and free lime fertilizer recommendations are based on this soil analysis. The cultivators are also given advise on the reclamation of problematic soils.

The cultivators are provided with healthy sugarcane seedlings by procuring them from Government and University farms. They are also encouraged to grow their nurseries.

The State Government pilot Projects for sugarcane and other crops are implemented by this factory. For this, finance is arranged and technical know-how is provided by the factory, from this year onwards, the factory will implement the scheme of financial assistance to the backward class sugarcane growers.

Analysis of the samples of sugarcane brought from the

fields according to the harvesting programmes are carried out in the laboratory maintained for the purpose. It is an established fact that the higher recovery is achieved and maintained. If the planned harvesting and transport the sugarcane within prescribed period this purpose, about 1000 bullock carts, 20 trucks and 165 tractor trolies are contracted every year and the result achieved during the last few years are quite encouraging and to the entire satisfaction of the management of this sugar factory.

8. IRRIGATION PROJECTS :

Lift Irrigation Schemes on Co-operative Basis are encouraged by providing finance, technical know-how and managerial help. An independent irrigation department is opened to maintain and run the Co-operative Lift Irrigation Schemes. Now the "Warana Project" is nearing completion, and partial storage of water is done. We have taken up construction of 50 small lift irrigation schemes of 120 acres each to use the extra potential created forty five of these are already commissioned in a short period. These schemes helped the sugar factory to make available extra sugarcane of 1 lakh metric tonnes in the area of operation. For all these irrigation schemes on Co-operative basis sugar factory has invested 5% of the total cost and mutual contribution by the beneficiaries. Balance amount is raised from taking loan from various Banks. Three big Co-operative Lift Irrigation Schemes

have been taken in hand by the sugar factory costing of Rs.1.5 crores each; two of these schemes will be commissioned shortly. Each scheme has command area of 1500 acres. After completion of these schemes 100% land in the area of operation will come under irrigation.

Thus the minor irrigation projects at Satave, Karve, Kodoli, Pargaon, Talsande, Bhendavade, Savarde, Kakhe, Mangale, Thanapude, Ghunki, Kini, Arale, Mohare, Shigaon, Bhadurwadi, Kanegaon, Tandulwadi, Kundalwadi, Bhadole, Latavade, Karanja-wadi, Aitwade, Kurlap, Yelur, Wathar, Udgaon, Devarde, Chikurde are the shortly of minor projects completed.

Then the planning of irrigation projects of the Khochi, Chikurde, Borapadle, Talsande, Padli, Bahirewadi, Jakhale, Satave-Savarde. All these irrigation projects will increase the cane able area and this factory will not have the difficulty at cane shortage.

9. DISTILLERY AND ASSITON :

The socialistic pattern of the society through the agro-industrial development is the call of the day and the efforts are being made to achieve this. In order to have an useful and beneficial utilization of the bye-product is that, molasses, a seperate win distillery has been granted by the Government and at the March, 1989 the distillary work was completed and it produce the wine separate and assiton etc.

10. LABOUR AND WELFARE FACILITIES :

There are about 45 percent workers on the permanent roll of the sugar factory and 55 percent worker on the seasonal muster roll of the sugar factory. In addition to these some works are given on the contract basis, where contract labour is engaged. All the contract labour will be to the tune of 1077, including the labour engaged in harvesting and transport of sugarcane and incidental works there too.

The number of posts and categories vacant are published in the news papers and the applications are called for. The applications are received scrutinised with the given prescription and standard in the advertisement and the list of suitable candidates are prepared and these candidates are called for interview. In case of highly qualified employees, expert from that field is invited for interviewing the candidates. After taking into consideration the qualification, capability, ability, experience, standing at the credit of the candidate, salary expected by the candidate, a merit list of two, three candidates prepared and amongst from them the candidate is selected and issued appointment order.

In order to the higher category post the employee working in the lower category is given an opportunity to work on higher post for some period with a view to showing his ability and found suitable and capable that employee is promoted to that post. When ever there appears to be a

good number of posts vacant from the one and the same category, a competitive examination is conducted after giving sufficient publication by notice to the various department in the sugar factory and those who are desirous of appearing for the examination are allowed given opportunity to showing his ability. From these who are successful candidates promotions to the extent of number of vacant posts are given.

Therefore, this Karkhana being a centre of various activities, like education facility to the children of workers and of the people for which primary school, a high school, junior, senior colleges and Engineering College, Montesory development etc. are established at the factory site. In order to brighten knowledge of children from the area of operation a public school with residential facility has also been established at the factory site.

In order to have control over the birth rate, family planning camps arranged and operations are carried out at the factory site. Persons and women who are getting operated at the factory site in the campus are awarded cash subsidies as an incentives to the patients by the sugar industry.

1) The medical aid for the workers, their family members, share holders and their family members and the people residing in the surrounding area is made available and a well equipped dispensary, under the guidance and supervision of a

qualified Doctor and trained nurse, compounder has been provided at the factory site.

ii) The relations of the management and the workers are found very cordial and the management of the sugar factory has always been very careful for the upliftment and better welfare at the employees.

Subsidised industrial housing at subsidised rent has been provided to the workers of this sugar industry.

Employee library is maintained and various daily and weekly news papers as well as monthly magazines are made available for reading to the workers. Besides the novels and story books of renowned authors in marathi and hindi language. The factory has increasing the new books in the each year.

From the amongst workers of the sugar factory a representative is nominated on the Board of Directors of the sugar factory as a taken of worker's participations in the management of the sugar factory. This practice has helped the management of the industry in many ways to keep the relations of the management and the workers of the factory very cordial and harmonious all the times.

Thus the recommendations of the all central wage Boards for the sugar industry are made applicable within the

scheduled time period and the classifications prescribed under the wage Boards are implemented to the satisfaction of the representative union working for and behalf of the workers of this sugar industry.

11) RECENT MANPOWER POSITION :

Recent manpower position of Warana Sahakari Sakhar Karkhana Ltd., Warananagar :-

In this co-operative sugar factory the labour and welfare department looks after the planning of the manpower in the sugar industry. The Managing Director, Head of the all departments and a labour and welfare officer looking after the overall the planning of the Sugar industry with the prior advice or permission of the Board of Directors and Executive Committee and Boards.

In this observed from the Table 1 that as on 31st December, 1989 there were about 480 permanent workers on the muster roll of the Sugar industry. Totally the there are 1077 workers engaged in the various sections and departments.

Table No.III-1

The total number of permanent workers as on
31st December, 1989.

Sr. No.	Name of Departments	Permanent workers
1.	Administrative	29
2.	Accounts	59
3.	Labour of Welfare	1
4.	Civil	25
5.	Irrigation	5
6.	Medical & Sanitary	17
7.	Vehicle	32
8.	Guest House Section	9
9.	Purchase Section	4
10.	Time office	10
11.	Store	21
12.	Sugar Godown	5
13.	Watch & Ward	26
14.	Agriculture	68
15.	Engineering	145
16.	Manufacturing	24
Total :		480

(As per summary statement of W.S.S.K.Ltd.,
Warananagar).

12. EXPANSION PROGRAMME :

The problem of every year was to have maximum crushing in the minimum span of time, especially when the recovery percentage will be peak at its level and with a new to this sugar factory was required to be enhanced. The first and now starting expansion will carried in 1989-90 with the installed cane crushing capacity of 4000 T.C.D. The expansion project may be estimated with the cost of 415.49 lacs and was met with by various means. This amount were collected from central Government (Sugar Development Fund) and from N.C.D.C. and other some amount were collected by new share issued and increase the old share price doubled (i.e. 2000 per shares) to the sugarcane producers. Deposits from the producer members and remaining amount made available from the working capital of this sugar factory.