

CHAPTER - III

PROFILE OF SUGAR

FACTORIES

BABU B-LASABAI KHARDEKAR LIBRARY
SHIVAJI UNIVERSITY, KOLHAPUR.

CHAPTER - III

Profile of Sugar Factories

A) Profile of Datta Sugar Factory

3.1 Introduction

The co-operative movement started long ago in many countries on relatively limited scale and with rather limited objectives. Today it has grown big in every country, whether it is a communist, a socialist or a capitalist, because it has met the cause of socio economic, upliftment a common people

Shirol, a taluka head-quarter, situated in Kolhapur district has a population of around 29850. It has 52 villages. It is one of the biggest talukas in Kolhapur district. Having been enriched by five rivers viz. Krishna, Panchanganga, Warana, Doodhganga and Vedganga, this taluka has fertile land. Shirol is an industrially backward area. Most of the agriculturists are poor and marginal farmers. The beginning of the Shri D.S.S.S.K.Ltd at Shirol marked the advent of a sea change in social and economical field. It has provided job opportunities to nearly two thousands of people directly and indirectly.

A pioneering effort of starting an Agro- Industrial Project in the co-operative field for achieving social upliftment through rural development begin in Ahmednagar district in western Maharashtra with the establishment of the first co-operative sugar factory at Pravaranagar in 1950, under the guidance of distinguished co-operators like Late Dr.Dhananjayrao Gadgil, Late Shri Vaikunthbhai Mehta and Late Shri Vithalrao Vikhe Patil, which provided a model for similar ventures latter.

These co-operatives have functioned as important growth centers in the region and their role has been significant in the reduction of income disparities, emergence of leadership and increased participation of the members in the development process. This sugar factory is situated on the Jaysingpur-Shirol road. This factory is the outcome of pioneering efforts of late Shri.Dattajirao Kadam and Shrimant Vishwasrao S.Ghorapade (Dattawadkar Sarkar).They are the founders of the sugar factory.

3.2 Registration of the factory

Shree D.S.S.S.K Ltd Shirol was registered as a co-operative society, under the Maharashtra State Co-operative Societies Act 1960 on 9th June, 1969. The registration number of the society is KPR/PRG (A)I.

An Industrial License for establishing a Sugar Factory on Co-Operative basis with initial crushing of capacity of 1250 M.Tonnes per day was issued. The crushing season commenced on the auspicious day of Chaitra Pratipada on 16th March 1972. Subsequently on 9th march,1989 the factory got registered under the Multi-state Co-operative Societies Act and its area of operation was extended to Belgaum District in Karkhana State. The Crushing capacity was increased to 7000 Mts per day from 1st August, 2001.

3.3 Aims and objectives of the Factory

The aims and objectives of Shri D.S.S.S.K.Ltd. are given below.

1. To secure social justice and impart modern technology in agricultural operations.

2. To improve the economic condition of the agriculturists through the co-operative processing and marketing of their products mainly of sugarcane and its by- products.
3. To strive for the economic uplift of cane cultivators.
4. To provide much needed irrigation facilities and technical guidance to the farmer in order obtain high yields.
5. To undertake to social activities, like, education, primary health, small –scale agro-based industries for multi-faced development of the farmers.
6. To provide agricultural extension service to the farmers in the area.
7. To develop financial position of the members
8. To solve the unemployment problem in the area through co-operative organization.

3.4 Area of operation

The area of operation of Shirol Sugar Factory comprises of 117villages as shown in Table No. 3.1

Table No 3.1

Area of operation of Datta Sugar Factory, Shirol

Sr.No	Taluka	District	State	No. of Villages
1	Shirol	Kolhapur	Maharashtra	52
2	Hathlanagale	Kolhapur	Maharashtra	32
3	Karveer	Kolhapur	Maharashtra	2
4	Kagal	Kolhapur	Maharashtra	3
5	Chikodi	Belgaum	Karnataka	21
6	Athani	Belgaum	Karnataka	7
			Total	117

Source: Records of the factory

Out of the 117villages 89 villages are from Maharashtra State and remaining 28 villages are from Karnataka State.

3.5 Members of Datta Sugar Factory

Table 3.2 shows the member position of Datta Sugar Factory

Table No3.2

Items	Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
No. of Members					
Producers members - A Class	27940	27738	27827	27985	28185
General members-B Class (Individual members)	1942	1927	1910	1905	1895
Society members	78	80	81	81	85
Total	29960	29745	29818	29971	30156

Source: Records of the factory

As seen from Table 3.2 the membership has increased from 29960 in 2004-2005 to 30156 in 2008-2009.

3.6 Management of the factory

Datta sugar factory is managed by the Board of Directors and top level officers. The Board comprises of 19 directors elected by the members.

Board of Directors (2004/05-2008/09)

Chairman-Hon'ble Shri-Appasaheb Alias S.R.Patil

Vice-chairman-Hon'ble- Shri-Sidgauda Gurasidgauda Patil

Shri-Ganpatrao Appasaheb Patil

Mrs-Vinya Ramesh Ghorpade

Shri-Bhagvantrao Narahar Patil

Shri-Isufsaheb Rasulsaheb Mest

Shri-Indrajeet Pasgonda Patil

Shri-Babaso Shankar Patil

Shri-Babaji Yashvant Yadav

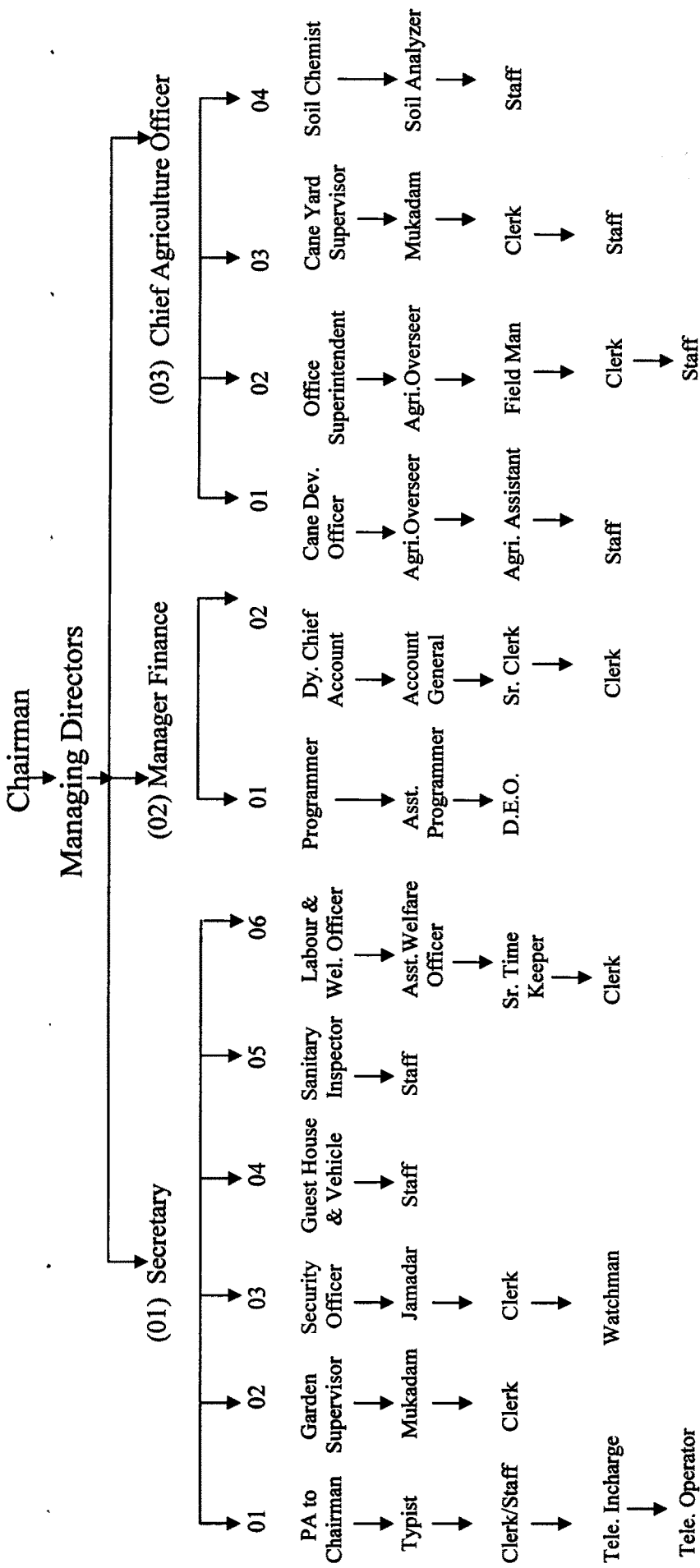
Shri-Shrenik Jaygonda Patil
Shri-Sharadchandra Vishvanath Phatak
Shri-Arunkumar Shankar Desai
Shri-Ramchandra Joti Palskar
Shri-Raghunath Devgonda Patil
Shri-Vishvanath Dhondi Mane
Shri-Shekhar Kalgonda Patil
Managing Director –Shri-M.V.Patil
Manager (Finance)-Shri-B.J.Patil
Purchase Officer-Shri-S.V.Kulkarni
Store Officer -Shri-R.B.Patil
■Chief Chemist-Shri-M.R.Patil
■Cane Development officer -Shri-R.S.Magdum
Vehicles&Guest House Incharge -Shri-B.S.Raut
■Security Officer-Shri-S.Jadhav

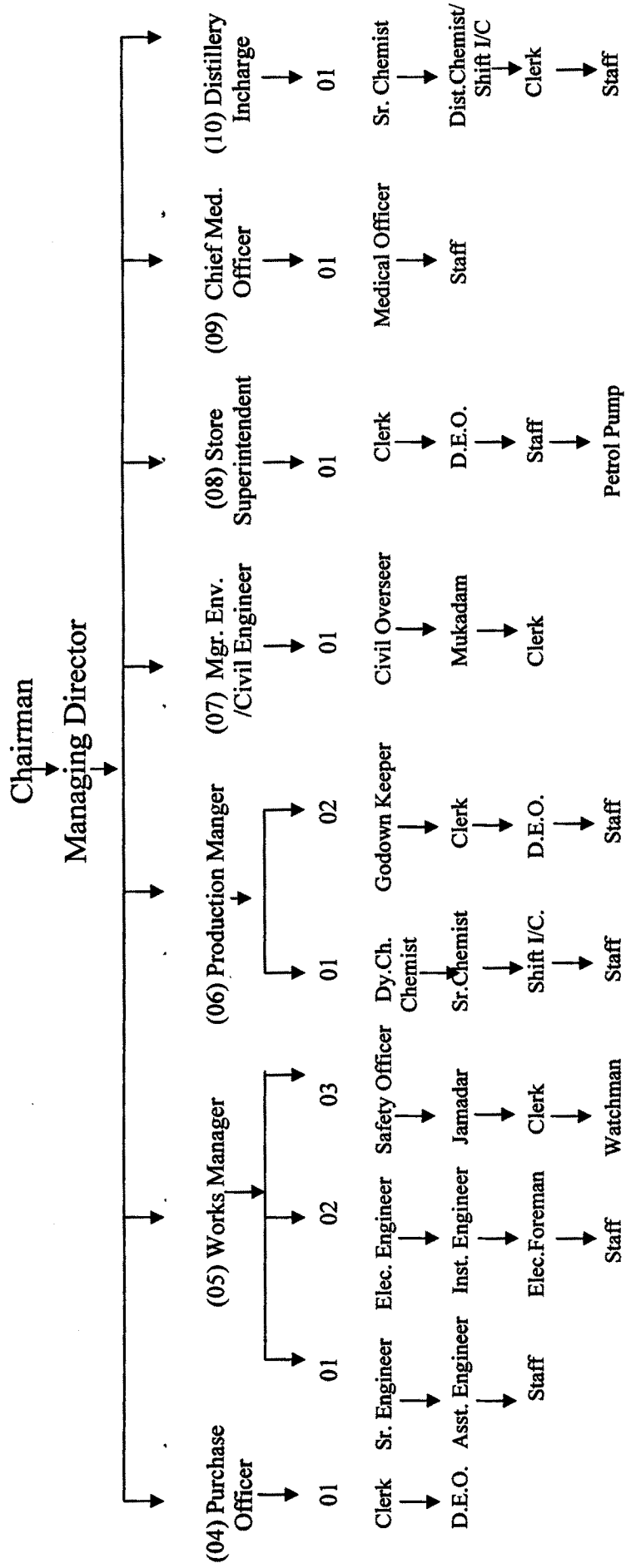
16844

3.7 Organizational Structure

Chart 3.1

Organizational Structure of S.D.S.S.K. Ltd. Shirol





The organizational structure of Datta sugar factory is shown in Chart 3.1. The general body members of the factory elect the directors for every five years. The directors, further, appoint the Managing Director to look after the day-to-day administration of the factory. The department heads are full-time salaried officers appointed by the factory. They include a Secretary, Manager (Finance), Chief Agriculture Officer, Purchase Officer Works / Prod. Manager, Mgr. Eng./ Civil Engineer, Store Superintendent, Chief Med. Officer, and Distillery in charge etc.

3.8 Cane Development programmes

The Factory has initiated the following cane development programmes.

1. Installation of soil testing laboratory.
2. Improvement of soil fertility by supplying sun hemp for green manufacturing and use of sugarcane trash as compost.
3. Supply of good and healthy seeds to the producer members. Shree Datta S.S.S.K. Ltd., Shirol has set up a separate wing of Cane Development Department in 1987 for carrying out the cane development activities within the area of operation.
4. Technical Guidance regarding selection of seeds, application of fertilizers etc., it is given to producer members by Agricultural staff from time to time. Literature regarding guideline on cultivation of sugar cane is also published by the karkhana.
5. Green Manuring.
6. Supply of sugarcane seed and other material.
7. Supply of chemical fertilizers, bio-fertilizers, organic manure etc.

3.9 Manufacturing of By Products

1. Distillery and Ethanol Plant

The capacity of Distillery is 30,000 Liters/day. An additional plant of 30,000 Liters/day capacity based on continuous fermentation and Multi-pressure Vacuum Distillation Technology has been installed and commissioned from 27th Feb. 2002.

M/s Praj Industries Ltd., Pune, has supplied the plant and machinery for additional capacity of 30,000 Liters/day.

An Ethanol plant of 30,000liters/day capacity based on Molecular sieve Technology has been installed and successfully commissioned on 25th may 2002 the plant and machinery of Ethanol plant has been supplied by M/s.Praj Industries, Pune.

2. Co-Generation

Observing overall developments and surroundings of the campus, the then Hon'ble Chief Minister Sharadraoji Pawarsaheb convened the first state level conference of all co-operative sugar factories in Maharashtra at Datta factory site on 24th and 25th September 1990. About 4000 co-operative leaders participated in the conference with their Technical staff. During the inaugural address the then Hon'ble Chief Minister, appellated to all the co-operative sugar factories to go in for Co-Generation and produce extra power, which will be supplied to State Electricity Board so as to overcome the short supply of power to some extent. Datta Factory are the pioneers in generating and supplying to Grid surplus power through Co-Generation in the state. Apart from providing electricity to our by-product units, the factory has started providing surplus power generated to MSES Grid from the year 1990/1991 onwards

to the extent of 1.5 MW. Presently Co-Generation is improved by including some equipment worth Rs.48.57 lakhs and started providing 3 MW Electricity to the MSEB Grid from 2003/2004 season. Total minimum returns from the Co-Generation are Rs 3.00 to 3.50 Crores per season. The management of the factory considered present scenario of electricity and decided to go in Co-Generation project of 36 MW. The project is under construction on BOOT basis with M/s. Uрга Ankur Nidhi Trust, Govt.of Maharashtra and will be completed before ensuing crushing season i.e. 2010-2011.

3.10 Transport Schemes

The factory designed a scheme of sugar cane transportation in the name of “DATTA OOS VAHATUK YOJANA” in order to provide a subsidiary occupation to members of the sugarcane cultivator members for which the factory has advanced loans (long-term) to the member cultivators to purchase 34 trucks, 84 tractors, 156 trailers and 4 bullock carts to transport sugarcane from the village farms to the factory site, as well as sugar to the markets.

3.11 Diesel and Petrol Pump

For continuous supply of sugarcane without any difficulty in respect its transportation a diesel and petrol pump has been installed at the factory site. The pump also provides fuel to the private vehicles in the area.

3.12 Horticulture

In the year 1982 management of factory started Horticulture Development Scheme to create additional source of income to the factory.

3.13 Various Welfare Facilities

The Shirol factory has provided various welfare facilities to the workers. Some of them are statutory and remaining are non-statutory. They are mentioned below.

1. Housing Facilities

The factory has provided housing facilities to the workers as well as to the officers on reasonable rent.

2. Recreation Facilities

The management has provided recreation facilities such as sports, games, reading room, library etc to the workers and staff.

3. Socio-Economic Activities

The aim and object of the co-operative sugar factory is to secure social justice and impart modern technology in agricultural operations. Apart from this, the other prime motive is to improve the economic condition of the agriculturists through the co-operative processing and marketing of their products especially of sugarcane and its by-products.

Datta co-operative industrial complex has undertaken various socio-economic activities for improving the economic condition and standard of living of the villagers in the area of operation of our factory.

- 1) The cultivator members are encouraged to construct Gobar Gas plants of various capacities and are provided with a subsidy amount equal to that of the Village Cottage Industries Commission. The subsidy ratio is based on installed capacity. So far 692 agriculturist members have constructed gobar gas plants in the area of operation.

- 2) The factory has purchased one bulldozer of 80 HP capacity, one tractor of 35 HP capacity and also 2 tractors of 50 HP capacities each to facilitate the agriculturists for development of their land.
- 3) The factory has also established a workers co-operative credit society. This society is functioning very smoothly. It provides short-term loans to its members to the extent of Rs.1.00 Lakh.
- 4) The management of the karkhana has taken the initiative to establish a consumer co-operative store viz: Shree Datta Shetkari Sahakari Grahak Sanstha Ltd., Dattanagar with a view to have a big consumer departmental store to make available industrial consumable items such as clothes, ready-made clothes, food-grains, utensils, electrical items, sewing machines, bicycles etc. at reasonable prices to the people residing in the vicinity of this co-operative industrial complex.
- 5) In order to cater fuel requirement, a Diesel and Petrol Pump has been installed at karkhana site.

4. Medical facilities

As part of its social obligation, the management of the karkhana has established a Medical Center in the premises of the karkhana with modern building and equipped with all instruments and facilities to render the medical service not only to its workers and staff but also to the people residing in the surrounding of this complex. The prime object of this venture is to extend the medical facilities to the weaker section at nominal charge. At present the medical center is having four well-qualified doctors. There is a hospital with 50 beds. There is one well equipped dispensary in the factory premises including x-ray machine, physiotherapy section, cardiogram ultra sonography machine, operation theatre. Heart Specialist, E.N.T. Specialist, Dentist serve on honorary

basis. Eye checkup and operations, all types of body checkup etc. are conducted. Many medical officers from Miraj pay weekly visits to the dispensary. As a part of social welfare family planning operations including laparoscopy have been done here. Factory has also purchased two ambulances.

5. Co-operative credit society

The factory has also established workers co-operative credit society in the name of "Shree Datta Shetkari employees co-operative Society Ltd." This society is functioning very smoothly by rendering short-term loans to its members.

6. Datta Polytechnic

The factory has started a polytechnic from academic year 2010-2011. The polytechnic is recognized by AICTE, New Delhi and Directorate of Technical Education, Govt. of Maharashtra. It has five faculties viz: 1) Mechanical Engineering, 2) Civil Engineering, 3) Electrical Engineering, 4) Electronic & Telecommunication, 5) Computer Engineering.

7. Late Dattajirao Kadam Kamgar Kalyan Mandal & Labour Welfare

Management of the karkhana is always trying to give jobs to the people in its area of operation. Late Dattajirao Kadam Kamgar Kalyan Mandal Dattanagar implements various schemes for worker families. Workers and family members can receive upto Rs.10,000 medical aid, if major operation has taken place. Mandal has set up a Gymnasium, Akhada, Library and Balwadi. Also a Recreation Hall is constructed for various functions. Besides these facilities, Karkhana provides 50% of

medical expenditure to the employees suffering from Heart disease, Paralysis, TB, Cancer & Leprosy and a paid leave up to 6months.

Some players of Datta Mandal are performing well at the district, State and National level.

8. Shramik Bhavan

All the workers have collectively built-up a Shramik Bhavan in the year 1992-93 through their contribution.

9. Bonus

The management distributes bonus to all the factory workers every year. In year 2009-2010 the management has given 25% bonus to the workers.

10. Industrial Training

From August, 1994 factory has started 'Industrial Training Centre' which includes six trades. The capital investment for civil and mechanical instruments is about Rs. 27 lakhs, nearly 100 trainees are taking training here. Besides this, from the year 1993-94, a separate women's industrial training centre has been started which helped the women for self employment opportunities.

11. Awards and Prizes

Datta Factory has received First Prize for Excellent Technical Performance for consecutive SEVEN YEARS from National Federation of Co-operative Sugar Factories and Govt. of India from 1982 to 1988.

OTHER AWARDS AND HONOURS

It has already been accredited with ISO-9001 (2002-03) certification and ISI (2004-05) Certification.

1. Second Efficiency Award by Deccan Sugar Institute on all India Basis.
2. Factory is conferred with special Efficiency Award by Govt. of India in 1988-89
3. Factory has been awarded on 1st May 1988 First Prize by Late Vasant Rao Naik Pratishthan Mumbai from its inception.
4. In 1997-98 First Prize for 100% workers contribution towards Small Savings in Kolhapur District.
5. First Efficiency Award by Zillha Parishad Kolhapur.
6. First Prize for Excellent Efficiency in 1990 by Govt. of India.
7. Outstanding Efficiency Award for 1988-89 seasons by Chief Director of Sugar New Delhi.
8. "Best Export Quality Sugar Prize" by Vasantdada Sugar Institute Manjri (BK) Pune in 1992 for lowest ICUMSA colour index.
9. "Datta Nursery & Horticultural Department" of our Industrial Complex has won many Awards for No. of times by State Govt. Zillha Parishad, Lions Club & Rose Society.
10. Our "Datta Kamgar Sports Mandal" has won Gold Medal for continuous two years in Athletic Games Competitions arranged by Maharashtra Rajya Sahakari Sakhar Sangh Ltd., Mumbai.
11. Hon'ble Managing Director has been awarded as 'Best Managing Director' by V.S.I. Pune for his contribution to this Industry for the Year 1999-2000.
12. During the Year 2000-2001, factory has been awarded for the MOST INNOVATIVE SUGAR FACTORY IN MAHARASHTRA by

VASANTDAD SUGAR INSTITUTE Manjari(BK), Tal.Haveli,
Dist.Pune.

13. During the Year 2001-02 as Chief Agriculture Officer has been awarded for the Best Chief Agriculture Officer in Maharashtra by VASANTDADA SUGAR INSTITUTE Manjari (BK) Tal.Haveli, Dist.Pune .
14. In the year 2001-02 as Karkhana has implemented the cane development scheme, Vasantdada Sugar Institute Pune has awarded Karkhana for 'Best Sugar Cane Development and Management.'
15. Producer Member of Karkhana has been awarded by ' Sugar Cane Bhushan" given by Vasantdada Sugar Institute Pune in the year 2002-03.
16. Chief Engineer of the Karkhana is contarned by 'Best Chief Engineer' by Vasantdada Sugar Institute Pune in the year 2002-03.
17. Cane Development Office of the karkhana is awarded by "Best Cane Development Office" by Vasantdada Sugar Institute Pune in the year 2002-03.
18. Maratha Chambers of Commerce, Industries and agriculture Pune has awarded by Dr.R.J. Rathi award for outstanding efforts in controlling pollution and protecting the Environment in overall Sugar Factory in Maharashtra.
19. In the year 2002-03 for cane development program Vasantdada Sugar Institute pune awarded karkhana first in South Maharashtra.
20. In the year 2001-02 VSI Pune has awarded following Members of our Karkhana with "Sugarcane Bhushan Award."

Sr. No.	Name of the Member	Type of Sugarcane	Yield per Mt/Ha.	Name of Award
01	Shri. A.V. Paitl	Pre-seasonal Planting	223.000	V.S.I. Pune First award

21. In the year 2002-03 Vasantdada Sugar Institute Pune has awarded following Members with "Sugar Cane Bhushan Award" of our factory.

Sr. No.	Name of the Member	Type of Sugarcane	Yield per Mt/Ha.	Name of Award
01	Shri. S. R. Kulkarni	Suru Planting 86032	244.000	Vasanttrao Naik First Award in State
02	Shri. B. A. Patil	Ratoon 671	287.000	Annaso Shinde First Award in State
03	Shri. B.N. Nagargachhe	Ratoon 671	244.000	V.S.I. Pune First Award

22. In the year 2003-04 VSI Pune has awarded following Members of our Karkhana with "Sugarcane Bhushan Award".

Sr. No.	Name of the Member	Type of Sugarcane	Yield per Mt/Ha.	Name of Award
01	Shri. M.G. Paitl	Suru Planting	223.000	V.S.I. Pune First award

23. Distillery Incharge of the Karkhana is awarded by "Best Distillery Manager" by Vasantdada Sugar Institute Pune in the year 2003-04.

24. Chief Chemist of the Karkhana is awarded with "Best Chief Chemist" Vasantdada Sugar Institute Pune in the year 2003-04.

25. In the year 2004-05 VSI Pune has awarded Karkhana with "Best Financial Management Award".

26. In the year 2004-05 VSI Pune has awarded following Members with "Yashvantrao Chavan Award".

Sr. No.	Name of the Member	Type of Sugarcane	Yield per Mt/Ha.	Name of Award
01	Shri. C. B. Jadhav	Preseasonal Planting	249.650	V.S.I. Pune First award

27. Second Technical Efficiency Award by National Federation of co-operative Sugar factories Ltd., New Delhi in 2006-07.

28. Hon'ble Managing Director MR.M.V.PATIL have been awarded as "Best Managing Director" by V.S.I.Pune for his contribution to this Industry for the Year 2006-07.

29. In the year 2006-07 for "Cane Development Award", Vasantdada Sugar Institute Pune awards Karkhana first in South Maharashtra.

30. In the 2006-07 VSI Pune has awarded Members of our Karkhana by "Sugarcane Bhushan Award.

31. For Best Cane Development and its Management, Factory Awarded by National Federation of Co-op. sugar Factories Ltd., New Delhi in 2007-08.

Sr. No.	Name of the Member	Type of Sugarcane	Yield per Mt/Ha.	Name of Award
01	Shri. Babu Bapu Jagtap	Suru Planting	226.61	V.S.I. Pune

32. Hon'ble Chairman Shri.Appasaheb Alias S. R. Patil was felicitated by Abasaheb Veer Social Award of Kisanveer Satara SSK Ltd., Bhujinj, Dist.Satara on 23rd August 2008.

33. Hon'ble Chairman Shri.Appasaheb alias S.R.Patil was felicitated by SAHEBRAO SATKAR SAHAKAR VIBHUSHAN PARSKAR of Sahebrao Sathar Gram Pratisthan, Rajgurunagar 1st February, 2009.

34. Manager (Finance) of the Karkhana is awarded with "Best Manager (Finance)" by Vasantdada Sugar Institute Pune in the year 2008-09.

35. In the year 2008-09 Vasantdada Sugar Institute Pune has awarded Karkhana as "MOST innovative FACTORY".

12. Other Facilities

The management has provided banking facilities, post-office, cycle stand, rest room for workers, canteen, leadership, election system, climate, economic benefits, interviews with officers of Datta factory.

13. Computerization

Karkhana started computerization activity from 1987. It was used for processing the salary of the employees. After that other applications are covered step by step. Recently karkhana has installed latest computer hardware and software. Fiber optic cabling connects various departments to a central server. The application software is developed under oracle RDBMS. The system Developed is on-line type. The transactions are recorded into the computer system at the source point as and when they occur. All these transactions come to the central server. As soon as the Accountants authorize the transactions, the balances of the concerned accounts get updated.

14. Environment Management Department

The factory management has established a separate Environmental Management cell to look after all the related issues of Pollution control.

It has been assigned a task to look after the effluent treatment of sugar factory and distillery.

Due to the efforts of the department effluent quantity has reduced to meager 300 M³/Day for crushing of 7500 TCD. The effluent was treated in the full – fledged ETP based on activated sludge process. The results are found to be one of the filter followed by activated sludge process. The results are found to be one of the best. The treated effluent is used for irrigation of about 40Ha of land.

The Distillery effluent is on of the most polluted item. The factory management has adopted composting technique for the treatment and disposal of spent wash.

Pressmud, Bagasse and Ash are mixed in definite proportion with the spent wash and aerated for about 21 days to get good quality of compost. The ready compost is distributed to the member farmers at a rate of Rs. 125/- per tonne. The compost is good in Humes content and bacterial content. The application of compost has helped to improve the yield of crop along with soil quality.

15) Water management

Shree Datta Shetkari Sakhar Karkhana Ltd., Shirol has a average curshing capacity of 7500 TCD. The water consumption of the factory during 2001-02 was 3000 Cum/d. Looking to this higher water consumption the authority decided to reduce. It established a separate cell to look into the matter. The cell undertook the scientific study to monitor the water consumption and various ways to reduce the consumption. The authority took various measures to reduce the water consumption by way of recycling the excess condensate. Reusing the water, which does not contaminate. Connecting the gland cooling water in series etc. By way of this the water consumption reduced.

Due to reduction in water consumption the electricity consumption at Jack well was reduced considerably.

It is clear that due to reduction in water consumption the saving in the electricity for jack well is in the tune of Rs. 11.00 Lakhs. The savings in the water bill of irrigation department is in the tune of Rs. 55.00 Lakhs per year.

Besides this the load on Effluent treatment plant is also reduced considerably and the disposal problem was totally finished.

As on today water consumption of the factory during season is only 300 Cum/d.

3.14. Audit Grade

The D.S.S.S.K.Ltd Shirol has obtained "A" grade from the year 2004/05 till to date. A grade is symbol of sound financial management of the Datta factory.

3.15 Financial Performance

Table No. 3.3

Financial Performance of Datta Sugar Factory Shirol

(Figures in Lakhs)

Particulars	2004-05	2008-09
Share capital	2117.55	2396.32
Reserve & Other fund	162.76	172.37
Loans		
i) Secured Loans	4570.46	1814.00
ii) Unsecured Loans	665.99	1315.98
Current year profit Net Profit	345.15	262.51
Deposits	1835.01	768.07
Total	9006.62	6204.21
Fixed Assets	5504.87	4678.87
Investment	379.65	383.61
Net working capital	3122.10	1142.71
Total	9006.62	6204.21

Source-Records of the factory

Above Table No. 3.3 shows that the share capital has increased from Rs. 2117.55 lakhs to in 2004-05 to Rs. 2396.32 lakhs in 2008-09. Reserve & other funds has increased from Rs. 162.76 lakhs in 2004-05 to Rs. 172.37 lakhs in 2008-09 secured loans has decreased from Rs. 4570.46 lakhs in 2004-05 to Rs. 1814.00 lakhs in 2008-09 unsecured loans has increased from Rs. 665.99 lakhs in 2004-05 to Rs. 1315.98 lakhs in 2008-09 current year loss has decreased from Rs. (-314.15) lakhs in 2004-05 to Rs. (0262.51) lakhs in 2008-09. Deposits has decreased from Rs. 1835.01 lakhs in 2004-05 to Rs. 768.07 lakhs in 2008-09.

Fixed assets has decreased from Rs. 5594.87 laksh in 2004-05 to Rs. 4668.82 lakhs in 2008-09. Investment has increased from Rs. 379.63 lakhs in 2004-05 to Rs. 383.64 lakhs in 2008-09 Net working capital has decreased from Rs. 3122.10 lakhs to in 2004-05 to Rs. 1142.78 lakhs in 2008-09.

B) Profile of Kagal Sugar Factory

3.16 Introduction

Kagal is a taluka place in Kolhapur district located on the Poona - Bangalore National Highway No.4 in between Kolhapur and Nipani. It has got historical importance and is the native place of Late Shri Chhatrapati Shahu maharaja who was later on adopted by the maharaja of Kolhapur as prince of Kolhapur. Shri Chhatrapati Shahu maharaja is well-known for his concern of upliftment of masses. He has helped industrialists like Kirloskars to increase industrialization in the area. He was strongly against the caste system. He reacted furiously on untouchability and mixed freely and accompanied friends from backward classes for dinner parties at their place.

The agricultural community in and around Kagal (erstwhile princely state), had long cherished a dream of having a sugar factory in Kagal. But neither the climate nor the socio-political environment of the region was very favourable for this industry, almost thirty years ago.

Hon. Shri. Vikramsinh Ghatge in his very young age took on this challenge. He was determined to convert this dream into reality.

A large number of farmers from the Taluka and surrounding areas came forward to support him and elected him as their leader and Chief Promoter of the proposed sugar factory in August 1973 and the process of establishing the sugar factory started.

It was in fact a tough task of erecting a sugar factory in Kagal, in the days when farmers did not cultivate sugarcane on large scale due to shortage of water and lack of irrigation systems. However, Raje Saheb

put to stake his intelligence and hard work, not leaving any stone unturned to realize his dream.

He was motivated by the writing, speeches and advices of great dignitaries in the field of co-operation like Dr.D.R.Gadgil, Shri . Eknath Vikhe Patil, Shri. Vaikunthbhai Mehta etc. As a token of love and respect to Shri. Chhatrapati Shahu. The Co-operative Sugar Factory was named as “SHIRI CHHATRAPATI SHAHU SHAKARI SAKHAR KARKHANA LTD.KAGAL” in the year 1976-77.

Physical features of Kagal Tahsil have also helped to form a co-operative Sugar Factory at Kagal. Four rivers namely Vedganga, Dudhaganga, Chikotra and Panchganga are flowing in the area of Kagal Tahsil. Sufficient rainfall is also observed in this area. Thus the area is gifted with the presence of natural irrigation resources. It has fertile soil, sufficient water, climatic conditions, roads, labour electricity and marketing facilities. These geographical and other factors encouraged the people to form a co-operative Sugar Factory at Kagal and thus the factory came in to existence as “Shri. Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd. Kagal situated to the west of Kagal

3.17 Registration of the factory

Shri Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd. Kagal has been registered as a co-operative society, under the Maharashtra State co-operative Societies Act 1960, on 21st February 1977. The registration number of the society is KPR/PRG/(I) (L) (77) dated 12/07/1977. An Industrial license for establishing a sugar factory on Co-operative basis with initial crushing of capacity of 1250 M. Tones per day was issued.

The factory was converted into a Multi-state Co-operative Society from 5th May, 2001 of operation was extended to Belgaum District in Karkhana State.

3.18 Aims and Objectives of the Factory

Aims and objectives of the organization the Chhatrapati S.S.S.K. are as follows.

1. To develop financial position of the members.
2. To increase sugarcane production in the area of operation of the factory.
3. To produce higher quality of sugar to undertake production of by-products and chemicals.
4. To settle unemployment problem in the area of operation of the organization.
5. To provide transport and communication facilities to the members and society in the area of the organization.
6. To develop economical and social conditions of the people in the area.
7. To popularize the new method of agriculture as well as to supply pesticides, equipments etc to the members and run the educational and cultural institutions for the benefit of members, non-members and workers in the factory.

3.19 Area of operation

The area of operation of Kagal Sugar Factory comprise of 91 villages as shown in Table No.3.4

Area of operation of Kagal sugar factory

Table No. 3.4

Sr.No.	Taluka	District	State	No. of Villages
1	Kagal	Kolhapur	Maharashtra	52
2	Karveer	Kolhapur	Maharashtra	27
3	Hatkanagale	Kolhapur	Maharashtra	3
4	Chikodi	Belgaum	Karnataka	9
			Total	91

Source-Records of the factory

Out of the 91 villages, 82 villages are from Maharashtra state and remaining 9 villages are from Karnataka state.

3.20 Members of Kagal Sugar Factory

Table 3.5 Shows the Member position of Kagal Sugar Factory

Table No.3.5

Items	Years				
	2004-05	2005-06	2006-07	2007-08	2008 -09
No. of . Members					
Producers members - A Class	11917	12103	13397	13748	14139
General members-B Class (Individual members)	29	29	75	75	75
Society members	112	113	113	113	112
Total	12058	12245	13585	13936	14326

Source: Records of the factory

As seen from Table No. 3.5 the membership has increased from 12058 in 2004-2005 to 14326 in 2008-2009.

3.21 Management of Kagal Sugar Factory

Kagal sugar factory is managed by the Board of Directors and top level officers. The Board comprises of 17 directors elected by the members.

Board of Directors (2004/05-2008/09)

Chairman-Hon'ble-Shri-Vikramsinh Jaysingrao Ghatage.

Vice Chairman-Hon'ble- Shri- Sadashiv Keshav Magdum.

Directors-Hon'ble-Shri-Veerakumar Appasaheb Patil.

Directors- -Hon'ble-Shri-Vijaysinh Annaso Yadav.

Directors -Hon'ble-Shri- Amarsinh Gopalrao Ghorpade.

Directors-Hon'ble-Shri-Suresh Ganpatrao Gatade.

Directors-Hon'ble-Shri-Jaysing Kalu Narke.

Directors-Hon'ble-Shri-Yashvant Jayvant Mane.

Directors-Hon'ble-Shri-Yuvraj Arjun Patil.

Directors-Hon'ble-Shri-Raghunath Krishna Patil.

Directors-Hon'ble-Shri-Ramchandra Chandar Kalugade.

Directors-Hon'ble-Shri-Maruti Dnyandev Patil.

Directors-Hon'ble-Shri-Tukaram Amruta Kamble.

Directors-Hon'ble-Shri-Sadashiv Dattatray Sandugade.

Directors-Hon'ble-Sou- Kamal Bapuso Sankpal.

Directors-Hon'ble Sou-Bebitai Ashok Karde.

Managing Director-Shri-Vijay Sadashiv Autade.

General Manager – Shri -K. C. Gupte.

Finance Manager-Shri-B.N.Kadam.

Secretary – Shri. S. A. Kamble.

Chief Engineer-Shri-J.A.Chavan.

Chief Chemist-Shri- A. G. Jagdale.

Civil Manager – Shri. P. A. Magadum.

Cane Development/officer - Shri-R.M.Gangai.

H. R. Manager – Shri. A. B. Karnik.

Store Keeper -Shri-S. K. Laykar.

System Manger-Shri- C.M. Kodakani.

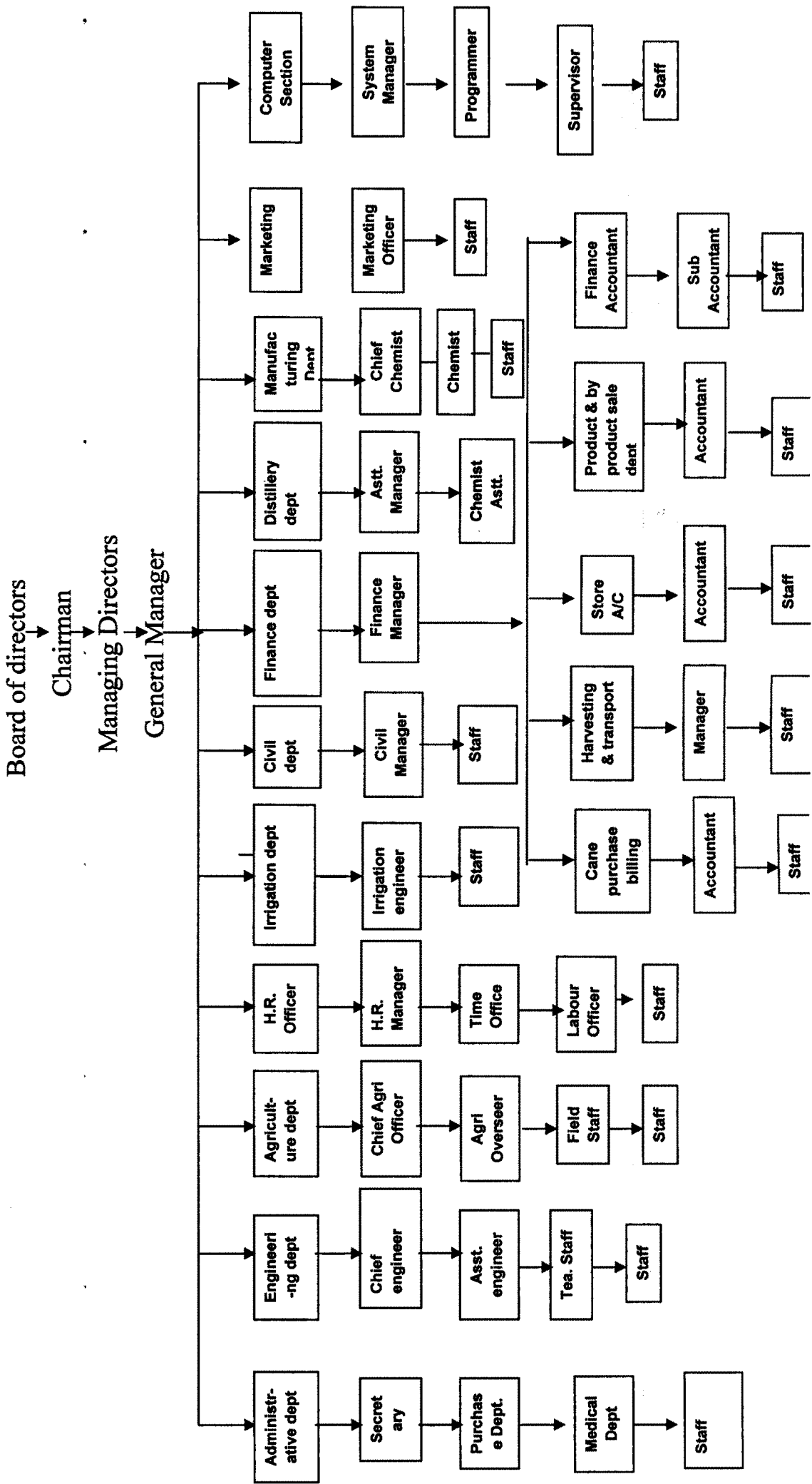
Security Officer-Shri-L.S.Patil.

Distillery Manger – Shri. N. R. Patil.

Civil Engineer (Irr.) – Shri. Patil K. M.

BARR. BALASAHEB KHARDEKAR LIBRARY
SHIVAJI UNIVERSITY, KOLHAPUR.

3.22 Organizational Structure
 Chart 3.2
 Organizational Structure of S.C.S.S.K. Ltd. Kagal.



The organizational structure of Kagal Sugar Factory is shown in chart 3.1. The general body members of the factory elect the directors for every five years. The directors further appoint the managing director to look after the day-to-day administration of the factory. The department heads are full-time salaried officers appointed by the factory. They include a Administration Dept, Chief engineering Dept, Manufacturing Dept, Agriculture Dept, H.R. Dept, Finance Dept, Store Dept, Irrigation Dept, Computer section etc.

3.23 Cane development programmes

Following are the main cane development activities carried out by Shri. Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd.Kagal.

- 1) In order to increase the production of cane karkhana provided good and healthy seeds to the producers.
- 2) Technical Guidance regarding selection of seeds, application of fertilizers etc, is given to producer members by agricultural staff from time to time. Literature regarding guidelines on cultivation at sugar cane is published by the karkhana.
- 3) Soil Survey at fields of produce members of karkhana.
- 4) Improvement of soil fertility by supplying sun-hemp for green manufacturing and use of sugarcane trash as compost.

3.24 Manufacturing of by products

1. Distillery

The mill has a 45000 LPD HifermGr-fermentation and multi-pressure Distillation unit which commissioned in 2002. The factory has

installed and is successfully running a distillery unit of 45 KLPD capacity with state-of-the-art technology. The spent wash generated from the distillery is utilized for composting manure, which is supplied to the cane growing farmers at concessional rates. Some important features of the distillery are given below.

Capacity 45000 LPD Spirit or 40,000 LPD ENA.

Commenced production February 2002.

Steam Consumption 81 MT/day.

Power consumption 3600 to 4500 KW/day.

Water Consumption 5.75 lakh ltrs/day.

Spirit Recovery : av 275 ltr/MT.

The factory has recently commissioned a state-of-the-art Solar Evaporation Plant to take care of and manage the spent wash generated from the Distillery.

2. Co-generation

The factory management with a very progressive outlook has aptly realized the potential of cogeneration and has decided to go for 12.5 MW. Co-generation Project within the captive area. The erection work of the project is complete and the Project is commissioned in December 2009.

Some important features of the project are mentioned below:

Bagasse Based, 12.5 MW Capacity, Estimated cost Rs. 55.00 Cr., Electricity produced to be exported to the Grid, Energy Purchase Agreement signed with State Electricity Company.

3.25 Transport schemes

The factory designed a scheme of sugarcane transportation in the name of "CHH.SHAHU TODANI VAHATUK SANSTHA". This transportation system work for transporting sugarcane from farms to factory. For this purpose this sanstha used 30 trucks, 120 signal tractors, 110 double tractors & 606 bullock carts.

3.26 Diesel and Petrol Pump

For continuous supply of sugarcane without any difficulty in respect of transportation of sugarcane high which also provides fuel to the private vehicles owned by the members of the factory used to no profit and no losses.

3.27 Various Welfare Facilities

The factory has provided various welfare facilities to the workers as follows.

1) Housing Facilities

The factory has been providing housing facility to its employees. For this purpose the factory has constructed quarters. In these quarters 2 rooms are provided for each worker, water supply and electricity is also made available. The houses are built with cement and wood.

2) Recreational Facilities

In order to reduce fatigue and tiredness of employees, especially workers, the provision of recreational facilities like reading room, Radio, T. V, Sports materials had been made.

3) Medical Facilities

Medical facilities provided by the factory are very good. If an accident takes place during working period, this factory provides medical facilities free of charge, where all the first aid facilities and medicine are available. The necessary medical staff is appointed by the factory.

4) Family Planning

In order to have a control over the birth rate, family planning camps are arranged. Operation are carried out at the factory site. Men and women undergoing the operation at the factory site in the camps are awarded cash subsidies and leave facilities.

5) Safety Equipment

The management provided necessary safety equipments to workers like hand gloves, gumboots, goggles etc. All the moving parts are properly fenced. The management has provided dress facilities to the workers, who are working in Engineering manufacturing and security department.

6) Canteen facilities

The management has provided canteen facilities to both the workers and the staff in the factory premises. In this canteen all eatables are available at cheap rate.

7) Cleanliness

The factory is kept clean like a mirror. All the walls, roofs and machinery are well painted. The workers are appointed to clean the factory.

8) Cycle stand

The management has provided a cycle stand in the premises of the factory and administrative office.

9) Banking Facilities

The management has provided the banking facilities at the factory site. There is a branch of Kagal co-operative Bank Ltd, Kagal which functions in the factory building.

10) Computer

For effective and speedy management of a administration work the factory has installed a computer on 1992 and in the year 1992-93 the bills of sugarcane growers are prepared with the help of this computer. Today most of the official, technical and financial transactions are computerized.

11) Educational facilities

Education facility to the children of workers is provided through the nursery, primary and secondary school establish on the factory site. The children of employee of the factory, taking higher education are given substantial scholarship.

The factory has established the first Sakhar shala on its site for the children of sugarcane labourers. Children should not live away from education that is why they started school for them school has developed classes upto seventh standard and also have number of excellent teachers. This school is having up to the seventh class education and have good teachers. The school has implemented different programmes for the development of children, like, distribution of uniform, cultural events, sports and trip etc. This school is organized as ideal Sakhar shala in the region.

12) Shahu Smart Card Scheme

The factory started smart card scheme for the benefits of farmers cane cutting contractors and the transports contractors. The cards given to farmers and members supplying sugarcane to the factory contain, their personal records. The information like members share holding amount of deposit, record of cane produce, quantity weight of sugarcane details of payment etc. The Shahu Smart Card given to cane cutting contractors give the details, which is stored and made available immediately on demand of cane cutting programme.

13) Bonus

The management has distributed bonus to all the factory workers in every year. In the year 2008-09, the management has given 34% bonus to the workers.

14) Awards and Prizes

Over the period of almost thirty years, the factory has achieved excellence in technology and management. This is indicated by the fact that it was awarded more than 35 prizes at State and National levels. They include the Prizes for Best Technical Efficiency, Best Cane Development, Best Recovery and Best Financial Management etc. from institutes such as National Federation, VSI, Sakhar Sangh etc. It has already been accredited with ISO-9001 (2002-03) certification and ISI (2004-05) Certification. List of best Technical has received the following Awards for its outstanding.

- 1) Commendation Certificate from National Federation of Co-operative Sugar Factories New Delhi for the Season 1986-88.
- 2) Second Prize from National Federation of Co-operative Sugar Factory New Delhi for the Season 1989-90.
- 3) First Prize in High Recovery Zone from National Federation of Co-operative Sugar Factories New Delhi for the Season 1990-91.
- 4) First Prize in Technical Performance from Vasantdada Sugar Institute, Pune ,for the Season 1990-91
- 5) First Prize from Maharashtra Rajya Sahakari Sakhar Karkhana Sangh Ltd.Mumbai for the Season 1990-91.
- 6) First Prize in Best Technical Performance from Vasantdada Sugar Institute Pune for the season 1990-91.
- 7) First Prize in Best Technical Performance from Maharashtra Rajya Sahakari Sakhar Karkhana Sangh Ltd Mumbai for the Season 1991-92.
- 8) Award from Vasantrao Naik Agri & Rural Development Foundation, Mumbai 1992.
- 9) Third Prize from Vasantdada Sugar Institute Pune for the Season 1994-95.
- 10) Second Prize in Technical Efficiency from Maharashtra Rajay Sahakari Sakhri Karkhana Sangh Ltd. Mumbai for the Season 1996-97.
- 11) Second Prize in Technical Efficiency from Maharashtra Rajay Sahakari Sakhar Karkhana Sangh Ltd. Mumbai for the Season 1996-97.

- 12) First Prize in High Recovery Zone from National Federation of Co-operation Sugar Factories Ltd. New Delhi for the Season 1996-97.
- 13) Third Prize for Best Technical Efficiency from Vasantdada Sugar Institute. Pune, for the Season 1997-98.
- 14) Third Prize for Best Technical Efficiency from Vasantdada Sugar Institute. Pune, for the Season 1997-98.
- 15) Third prize in Efficiency from Maharashtra Rajya Sahakari Sakhar Karkhana Sangh Ltd. Mumbai for the Season 1997-98.
- 16) First Prize in Best Technical Efficiency from Vasantdada Sugar Institute. Pune, for the Season 1998-99.
- 17) First Prize in Efficiency in South Maharashtra for 1998-99 from Maharashtra Rajya S. S. Karakhana Sangh Ltd. Mumbai.
- 18) First Prize in Efficiency in South Maharashtra Rajya S. S. Karkhana Sangh Ltd. Mumbai.
- 19) First Prize for Best Technical Efficiency in South Zone from Vasantdada Sugar Institute. Pune, for the Season 1999-2000.
- 20) First Prize for Best Technical Efficiency in South Zone from Sakhar Sangh Mumbai for the Season 1999-2000.
- 21) Best Financial Management award from Vasantdada Sugar Institute. Pune, 2000-2001 in South Zone.
- 22) Third Prize for Best Technical Efficiency from Vasantdada Sugar Institute, Pune.
- 23) First Prize for Cane Development in High Recovery Area from National Federation of Co-operative Sugar Factories New Delhi for the Season 2002-03.

- 24) Best Co-operative Sugar Factory award in High Recovery Area from National Federation of Co-operation Sugar factories New Delhi for the Season 2002-03.
- 25) Overall Best Co-operative Sugar Factory Award (All India Basis) from National Federation of Co-operative Sugar Factories New Delhi for the Season 2002-03.
- 26) First Prize for Financial Management in High Recovery Area for Season 2002-03.
- 27) Late Vasantdada Patil Revolving Trophy for Overall Best Sugar Factory in Maharashtra for the Season 2003-04 from Vasantdada Sugar Institute ,Pune.
- 28) First Prize in South Zone for Best Technical Efficiency Season 2003-04 from Vasantdada Sugar Institute,Pune.
- 29) Prize in South Zone for Best Cane Development award for Season 2003-04 from Vasantdada Sugar Institute Pune.
- 30) Best Co-operative Sugar Factory award in High Recovery Area from National Federation of Co-operative Sugar Factory New Delhi for the Season 2004-05.
- 31) Second Prize in South Zone for best Technical Efficiency award Season 2004-05 from Vasantdada Sugar Institute, Pune.
- 32) First Prize for Financial Management in High Recovery Area for the Season 2004-05 from Vasantadad Sugar Institute, Pune.
- 33) Best Financial Management award from Vasantadad Sugar Institute, Pune for the Season 2005-06.
- 34) Best Innovative Co-Operative Sugar Factory award from Vasantadad Sugar Institute Pune for the Season 2005-06.

- 35) Overall Best Co-Operative Sugar Factory in India for the Season 2006-07 from National Federation of Co-operative Sugar Factories Ltd. New Delhi.
- 36) Third Prize for the best Technical Efficiency Award in South Zone of Maharashtra from Vasantadad Sugar Institute, Pune for the year 2006-07.
- 37) Best Financial Procedure adoption form M SC Bank Mumbai for the year 2007-08.
- 38) Best Co-operative Sugar Factory in High Recovery Area for the Season 2007-08, from National Federation of cooperative sugar factories Ltd., New Delhi.
- 39) Best Distillery award of Maharashtra for the Season 2007-08 from Vasantadad Sugar Institute, Pune .
- 40) Overall Best Co-operative Sugar Factory in India for the Season 2008-09 from National Federation of Co-Operative Sugar Factories Ltd. New Delhi.

15) Industrial Training

The factory has started an Industrial Training Institute which has 2 trades. Besides this from the year 2006/07 a separate womens industrial training institute as been started to help the women for self employment opportunities.

16) Shree Chh. Shetakari Sahakari Grahak Sanstha Limited Kagal

This consumer society is the outcome of the efforts of the Chairman Shri.Vikramsingh Ghatage and other members of the Board of Directors of the factory. The primary aim of this society is to make available essential consumer goods at reasonable prices to the members.

workers and other people residing in the vicinity of this co-operative industrial complex.

3.28 Audit Grade

The C.S.S.S.K.Ltd Kagal has obtained A Grade from the year 2004 to 2005 & 2005 to 06 till to date. A Grade is symbol of sound financial management of the kagal factory.

3.29 The facilities to Cane Growers

- The factory has earmarked funds for cane development, through which the cane growers get improved cane seeds, insecticides and pesticides at subsidized rates.
- The farmers also get facilities and support for activities such as farm leveling, laying of water pipelines etc.
- The factory provides micro-nutrients and bacterial manures to the farmers. This has resulted in significant improvement in the annual cane yield per hectare.
- It helps farmers in procurement and installation of biogas plants at subsidized rates.
- Distribution of fruit seedlings.
- Guidance for adopting newer cultivation patterns.
- Village wise cane development seminars for better interaction among the farmers and the factory agriculture division.
- Through the Sugar Development Fund, loans are disbursed for redigging old wells, compositing and overall better management of cane farms.

- Through the Shahu Compost Scheme, the Factory has launched 100-MT per month Shahu Vermi-Compost Project on no-loss no-profit basis.

3.30 Financial Performance

Table No. 3.6

Financial Performance of Kagal Sugar Factory, Kagal

(Figures in Lakhs)

Particulars	2004-05	2008-09
Share capital	1,010.37	1,166.34
Reserve & Other fund	2,610.98	3,720.10
Loans		
i) Secured Loans	650.36	3,977.70
ii) Unsecured Loans	1,006.75	2,403.10
Current year profit Net Profit	280.35	150.00
Deposits	2,068.47	1,216.30
Total	8,626.67	12,633.60
Fixed Assets	5,823.31	7,182.10
Investment	137.47	128.40
Net working capital	2,665.89	5,323.00
Total	8,626.67	12,633.60

Source-Records of the factory

Above Table No. 3.6 shows that the share capital has increased from Rs. 1010.37 lakhs to in 2004-05 to Rs. 1166.34 lakhs in 2008-09. Reserve & other funds has increased from Rs. 2610.98 lakhs in 2004-05 to Rs. 3720.10 lakhs in 2008-09 secured loans has increased from Rs. 650.36 lakhs in 2004-05 to Rs. 3977.70 lakhs in 2008-09 unsecured loans has increased from Rs. 1006.75 lakhs in 2004-05 to

Rs. 2403.14 lakhs in 2008-09 current year profit has decreased from Rs. 280.35 lakhs in 2004-05 to Rs. 150.09 lakhs in 2008-09. Deposits hasdecreased from Rs. 2068.47 lakhs in 2004-05 to Rs. 1216.30 lakhs in 2008-09.

Fixed assets has increased from Rs. 5823.31 laksh in 2004-05 to Rs. 7182.11 lakhs in 2008-09. Investment has decreased from Rs. 137.47 lakhs in 2004-05 to Rs. 128.48 lakhs in 2008-09 Net working capital has increased from Rs. 2665.89 lakhs to in 2004-05 to Rs. 5323.08 lakhs in 2008-09.