



A FINANCIAL ANALYSIS OF CO-OPERATIVE SPINNING MILLS –A CASE STUDY OF SHETKARI SAHAKARI SOOT GIRNI LTD, SANGOLA.

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INTRODUCTION:

Textile Industry in India is the second largest employment generator after agriculture. It holds significant status in India as it provides one of the most fundamental necessities of the people. Textile industry was one of the earliest industries to come into existence in India and it accounts for more than 30% of the total exports. In fact Indian textile industry is the second largest in the world, next to China. Textile Industry is unique in the terms that it is an independent industry, from the basic requirement of raw materials to the final products, with huge value-addition at every stage of processing. Textile industry in India has vast potential for creation of employment opportunities in the agricultural, industrial, organized and decentralized sectors and rural and urban areas, particularly for women and the disadvantaged. Indian textile industry is constituted of the following segments: Readymade Garments, Cotton Textiles including Handlooms, Man-made Textiles, Silk Textiles, Woolen Textiles, Handicrafts, Coir, and Jute.

OBJECTIVES:

The major objectives of the proposed research study are as follows:

- 1) To examine the overall provisions of revenue and the areas of expenditure of Shetkari Sahakari Soot Girni Sangola.
- 2) To study financial implications of Shetkari Sahakari Soot Girni Sangola.
- 3) To suggest policy guidelines so as to deal with problems of urban development by Shetkari Sahakari Soot Girni Sangola.

DATA BASE AND METHODOLOGY:

The proposed research study studies the role of Cooperative spinning mills with special reference to Shetkari Sahakari Soot Girni Sangola in Solapur district during the period from 2001-02 to 2011-12. The study will rely on the secondary data. Hence, the study will start with examining the aspects relating to having implication for the financial position of Shetkari Sahakari Soot Girni Sangola., based on a review of the existing literature, relevant acts and rules and

secondary data. The necessary secondary data will be collected from the sources like Annual Budgets Report of Shetkari Sahakari Soot Girni Sangola. , its Annual Reports and other information from official records, Economic Survey of Maharashtra, Socio-Economic Survey of Solapur District, Internet and all others.

The collected both the secondary data will be classified and tabulated in the light of objectives, of the study. The tabulated data will be processed by employing appropriate statistical tools such as Compound Growth Rate (CGR), Coefficient of Variation. The processing of data will be carried out by using computer software's such as Excel.

PROFILE OF SHETKARI SAHAKARI SOOT GIRNI SANGOLA:

Sangola Taloka is a rain shadow draught prone area of Solapur district. This town was lagging in for small or big industry. The land was also not fertile. There was a problem of water storage, so agriculture was also difficult. On this situation, the people were unable to earn their livelihood. With this kind of background the people of Sangola thought of string a spinning mill under co-operative banner. For this purpose a society was formed.

On 28th January 1980, the Shetkati Sahakari Soot Girni Limited Govt. registered under Maharashtra state co-operative society Act bearing registration number SUR/PRG (A)/7. The area of operation of the society includes talukas of Sangola, Mangalweda, Pandharpur, and Malshiras of Solapur district. The construction of the building was started in 1982 and was completed in 1984. Actual production of the mill started from 14th September 1984. The project report of this mill was prepared by „All India Federation of Co-operative Spinning Mills limited, Mumbai. The mill building is comparatively different from normal mill buildings, first time in the history of Textiles Mills; the sip pre-fabricated stabs were used for the roofs. This has given good results in productions and for other parameters

The mill today is known for introducing the state of the art technology and methodology to Indian spinning, weaving and knitting, processing and finishing industry. The mill manufactures 6500 Kgs of high quality knitted fabrics every day. To supply these high quality standards, it has installed the world's most sophisticated and comprehensive production lines. These are accompanied by the best in raw materials. The requirements of the customers were studied and projected towards their satisfaction; ultimately it reached to a stage where the quality standards have been accepted by multinational chain shops like Wal-Mart, Dockers, Mother Care, Merwins, Gap and many more. The customers (Garment Exporters) of the mill had highlighted the mill as a business partner to all these big players who cover majority of garments business in Europe and USA.

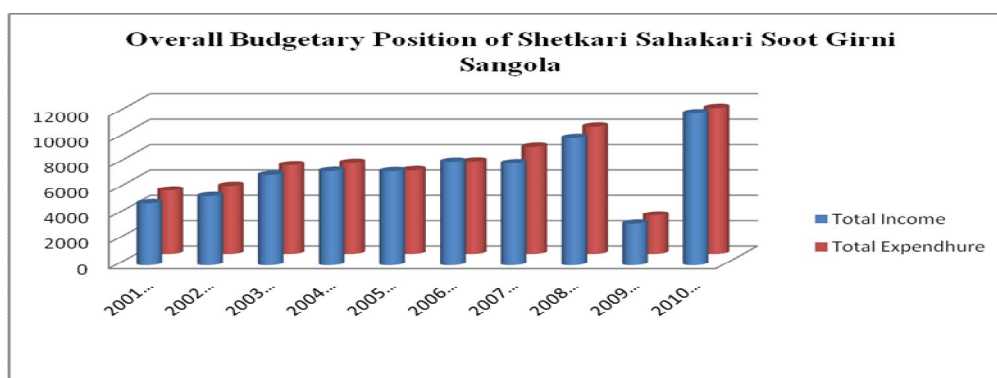
AN ECONOMIC ANALYSIS OF SHETKARI SAHAKARI SOOT GIRNI LTD, SANGOLA:

Table No.1: Overall Budgetary Position of Shetkari Sahakari Soot Girni Sangola

(Rs. In Lakhs)

Year	Total Revenue	Total Expendhure	Surplus/Deficit
2001-2002	4889.68	5000.78	-111.1
2002-2003	5436.74	5373.05	63.69
2003-2004	7114.25	7004.52	109.73
2004-2005	7415.37	7189.555	225.815
2005-2006	7397.15	6582.54	814.61
2006-2007	8169.51	7293.83	875.68
2007-2008	8045.51	8433.61	-388.1
2008-2009	10044.47	10029.05	15.42
2009-2010	3262.52	3039.5	223.02
2010-2011	11983.28	11509.01	474.27
CGR	4.06	3.63	NILL
C.V	0.339274	0.342722	

(Source – Annual Budget Report 2001- 02 to 2010-11)



The overall budgetary position shows the nature and extent of surplus or deficit of the government working at any level. It enables us to examine the trends in the surplus or deficit of the governments. Further it helps in analyzing causes and suggesting measures on the problem of deficit on this background, an attempt has been made to examine overall budgetary position of Shetkari Sahakari Soot Girni Sangola during the period from 2001-02 to 2010-11. Table No. 1 gives the data of the Total Expenditure of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 5000.78 lakhs in 2001-02 to Rs. 6582.54 lakhs in 2005-06 and further to Rs. 11509.01 lakhs in 2010-11. Total Revenue of Shetkari Sahakari Soot Girni Sangola rose from Rs. 4889.68 lakhs in 2001-02 to Rs. 7397.15lakhs in 2005-06 and further to Rs. 11983.28 lakhs in 2010-11. Likewise from the data in above table the Shetkari Sahakari Soot Girni Sangola persistently Good Condition during 2001-02 and 2007-08 except the year.

The Shetkari Sahakari Soot Girni Sangola experienced Deficit in the budget only in two years during the 10 year period under our review, which was worth of Rs. -111.1 lakhs and Rs. -388.1lakhs in 2001-02 and 2007-08. In these years Total Revenue of the Soot Girni was greater than the Total Expenditure because of which it was in surplus.

Table No 2: Share Capital & Fixed Funds Position of Shetkari Sahakari Soot Girni Sangola (Rs. In Lakhs)

Year	Share Capital	Fixed Funds
2001-2002	1511.35	209.32
2002-2003	1658.86	294.76
2003-2004	1637.64	325.76
2004-2005	1599.03	373.59
2005-2006	1546.38	434.72
2006-2007	1527.39	482.94
2007-2008	1492.55	624.89
2008-2009	1479.35	738.47
2009-2010	1442.33	775.47
2010-2011	1431.09	787.47

(Source – Annual Budget Report 2001- 02 to 2010-11)

This Table Shows the Share Capital & Fixed Funds Position of Shetkari Sahakari Soot Girni Sangola during the period from 2001-02 to 2010-11. Table No. 2 gives the data of the Total Share Capital & Fixed Funds of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 1511.35 lakhs, 209.32 lakhs in 2001-02 to Rs. 1546.38 lakhs, 434.72 lakhs in 2005-06 and Lastly decrease to Rs. 1431.09 lakhs, & Fixed Funds are rose 787.47 lakhs in 2010-11.

Table No 3: Working Capital Position of Shetkari Sahakari Soot Girni Sangola
(Rs. In Lakhs)

Year	Working Capital
2001-2002	852.2
2002-2003	370.11
2003-2004	980.38
2004-2005	1025.02
2005-2006	1109.61
2006-2007	1019.38
2007-2008	101240
2008-2009	17000
2009-2010	13930
2010-2011	181306

(Source – Annual Budget Report 2001- 02 to 2010-11)

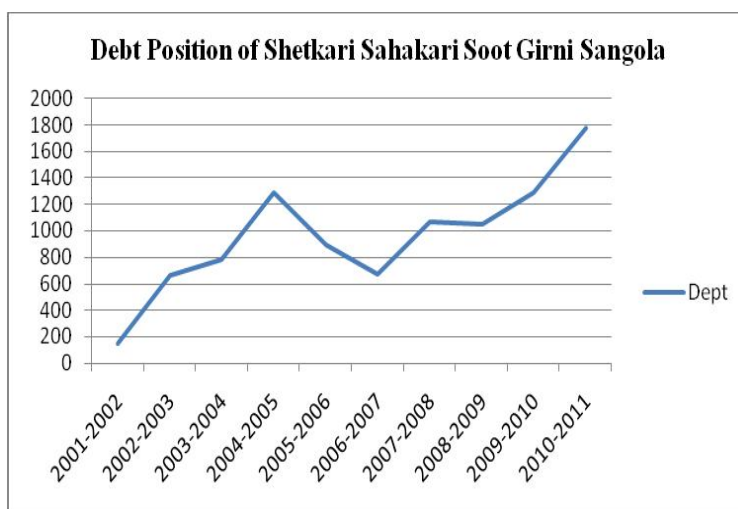
This Table Shows The Working Capital Position of Shetkari Sahakari Soot Girni Sangola during the period from 2001-02 to 2010-11. Table No. 3 gives the data of the Total Working Capital of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 852.2 lakhs, 209.32 lakhs in 2001-02 to Rs. 1109.61 lakhs, 434.72 lakhs in 2005-06 and lastly decrease to Rs. 1431.09 lakhs, & Fixed Funds are rose 181306 lakhs in 2010-11.

Table No 4: Debt Position of Shetkari.

Sahakari Soot Girni Sangola (Rs. In Lakhs)

Year	Debt
2001-2002	148.01
2002-2003	660.3
2003-2004	779.23
2004-2005	1287.6
2005-2006	894.92
2006-2007	669.53
2007-2008	1066
2008-2009	1048
2009-2010	1295
2010-2011	1779

(Source – Annual

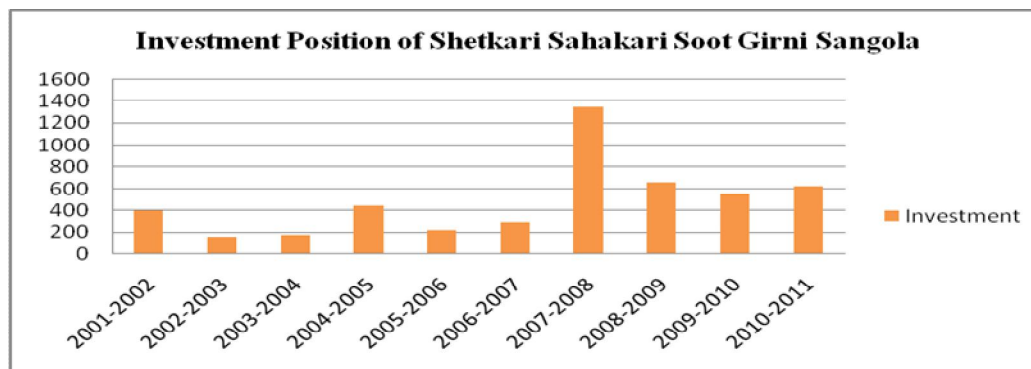


This Table Shows the Debt Position of Shetkari Sahakari Soot Girni Sangola during the period from 2001-02 to 2010-11. Table No. 4 gives the data of the Total Debt Position of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 148.01 lakhs, in 2001-02 to Rs. 894.92 lakhs in 2005-06 and futhere to Rs. 1779 lakhs, Debt are rose in 2010-11.

Table No 5: Investment Position of Shetkari Sahakari Soot Girni Sangola
(Rs. In Lakhs)

Year	Investment
2001-2002	405.37
2002-2003	159.14
2003-2004	179.65
2004-2005	446.68
2005-2006	224.21
2006-2007	295.99
2007-2008	1351.9
2008-2009	664.34
2009-2010	551.13
2010-2011	625.95

(Source – Annual Budget Report 2001- 02 to 2010-11)



This Table Shows the Investment Position of Shetkari Sahakari Soot Girni Sangola during the period from 2001-02 to 2010-11. Table No. 5 gives the data of the Total Investment Position of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 405.37 lakhs, in 2001-02 to Rs. 224.21 lakhs in 2005-06 and further to Rs.625.95 lakhs, Debt are rose in 2010-11.

CONCLUSIONS:

1. The Total Expenditure of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 5000.78 lakhs in 2001-02 to Rs. 6582.54 lakhs in 2005-06 and further to Rs. 11509.01 lakhs in 2010-11.
2. Total Revenue of Shetkari Sahakari Soot Girni Sangola rose from Rs. 4889.68 lakhs in 2001-02 to Rs. 7397.15 lakhs in 2005-06 and further to Rs. 11983.28 lakhs in 2010-11.
3. in Shetkari Sahakari Soot Girni Sangola his that increased rapidly from Rs. 1511.35 lakhs in 2001-02 to Rs. 1546.38 lakhs in 2005-06 and further to Rs. 1431.09 lakhs in 2010-11.
4. The Total Working Capital of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 852.2 lakhs, 209.32 lakhs in 2001-02 to Rs. 1109.61 lakhs, 434.72 lakhs in 2005-06 and Lastly decrease to Rs. 1431.09 lakhs, & Fixed Funds are rose 181306 lakhs in 2010-11.
5. The Total Debt Position of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 148.01 lakhs, in 2001-02 to Rs. 894.92 lakhs in 2005-06 and further to Rs. 1779 lakhs, Debt are rose in 2010-11.
6. Total Investment Position of Shetkari Sahakari Soot Girni Sangola that increased rapidly from Rs. 405.37 lakhs, in 2001-02 to Rs. 224.21 lakhs in 2005-06 and further to Rs.625.95 lakhs, Debt are rose in 2010-11.

SUGGESTIONS:

1. Capital is a most important part of any level industry and the progress of industry depends on Capital.
2. Financial position of municipal council like Shetkari Sahakari Soot Girni is very good, but union finance should recommend to union government for

devolving financial assistance to such Soot Girni for the further development.

3. Shetkari Sahakari Soot Girni should collect donations and financial assistance from the rich section of population like businessmen, industrialists, landlords and economic and social institutions for the development of Girni infrastructure and more production.
4. To the control the Expenditure on Shetkari Sahakari Soot Girni and improve the quality and quantity of the any level production.
5. The Total Debt Position Shetkari Sahakari Soot Girni was not very good, improvement is important to financial position. & to the control next year.

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