

INVESTMENT OF GOVERNMENT

This Directorate has a vital role in the development of Co-operative Textile Industry. The Government has invested Rs.73148.24 lakhs in the form of State and Central Government share capital, loan and subsidies in the 10th Five Year Plan. Despite huge investment the returns from this industry seems to be insignificant. The Foreign Exchange from the Co-operative Textile Industries is very meager though Government has given it top priority. It is essential for the Co-operative Textile Industries to plan for export in a big way.

A short note on Cooperative Textiles is given below.

CO-OPERATIVE SPINING MILLS :

In order to improve the cooperative financial strength of the mills and to speed up development process and incorporate the cotton growers in the said process, the State Government has undertaken the task of establishment of spinning mills in Co-operative Sector. In the State there are 270 registered co-operative spinning mills.

Categories of the Registered Cooperative Spinning mills (As on 31-03-2009)

1) Spinning mill under production	28
2) Spinning mills under partial production	24
3) Spinning mills under erection	34
4) only Registered mills	45
5) Under liquidation	99
6) Closed mills	11
7) De-Registered/Converted	<u>29</u>
Total:	<u>270</u>

The State Government is extending financial support to the co-operative spinning mills in the State From Vth Five Year plan to VIIth Five Year Plan 60 spinning mills were financed to the tune of Rs.26852.86 lakhs. There after, 63 Spinning mills were selected during VIIIth to Xth Five Year Plan for financial assistance. The State Government has sanctioned financial assistance to 63 mills to the tune of Rs. 81676.98 lakhs till 31-3-2008.

Schemes for Co-operative Spinning Mills

1) Share capital to Co-operative Spinning Mills

The scheme is insists to provide share capital to complete the projects of those cooperative spinning mills, which are under erection. The State Govt. sanctions Rs. 5300.00 lakh for the project of 25,000 spindles. Under this scheme the mill has to raise 5% of share capital from its members, 45% share capital is provided by State Govt. and N. C. D. C. in equal proportionate and mill has to raise 50% amount of the project cost from the financial Institutions. The ratio of the loan and share capital is 1:1. State Govt. sanctions the share capital to 9 times of the spinning mill's own share capital.

Budget provision and expenditure since last five year under this scheme is as follows.

(Rs. in lakhs)

Sr. No.	Year	Final Budget Provision	Expenditure	Achievement (No. of spinning mill)
1	2004-05			
	General	5452.82	5452.82	22
	Special component scheme	2618.85	2618.85	7
	N.C.D.C	539.35	539.35	3
2	2005-06			
	General	5421.00	--	--
	Special component scheme	1000.00	--	--
	N.C.D.C	8040.45	--	--
3	2006-07			
	General	2925.00	2924.27	16
	Special component scheme	6100.00	3421.00 (contingency)	27
	N.C.D.C	15513.13	7801.90	10
4	2007-08			
	General	3814.00	3814.00	19
	Special component scheme	100.00	100.00	3
	N.C.D.C	9615.00	236.25	1
5	2008-09			
	General	2882.92	2882.92	31
	Special component scheme	100.00	100.00	3
	N.C.D.C	10688.00	1410.34	3

2) Subsidy for purchase of shares of Cooperative Spinning Mills by Scheduled Caste/Nav-Bhoudha members

It is difficult to purchase the shares of co-operative spinning mills by Scheduled Caste/Nav-Bhoudha Farmers due to their economically backward conditions. Hence in order to participate them in production programme of the spinning mill the Govt. is providing subsidy to Scheduled Caste/Nav-Buddha farmers who are below poverty line. The State Govt. was sanctioning subsidy Rs. 500/- & loan Rs. 500/- under this scheme till 1997-98. But from the year 1998-99 the scheme is implemented with certain modification and the amount to purchase shares is increased up to 2000/- Out of which Rs 200/- is to be collected by a member and the State Govt. will provide Rs. 1800/- as a subsidy.

The Budget provision and expenditure since last five years is as follows:

(Rs. in lakhs)

Sr. No.	Year	Budget	Expenditure	No. of beneficiaries
1	2004-05	7.00	--	--
2	2005-06	5.10	0.07	4 members
3	2006-07	56.90	20.95	1164 members
4	2007-08	356.90	21.48	1193 members
5	2008-09	101.90		

3) Loan against the Government Guarantee

(Rs. in lakhs)

Sr. No.	Year	Budget Provision	Expenditure	Achievement (Spinning mill)
1	2004-05	--	--	--
2	2005-06	3693.62	3693.62	12
3	2006-07	--	--	--
4	2007-08	--	--	--
5	2008-09	--	--	--

The State Govt. has provided Govt. Guarantee to the 45 co-operative spinning mills in the State. Out of which 13 Co-operative Spinning Mills are failed to pay the outstanding dues of financial Institutions, hence the financial institutions approached to D.R.T. for its loan. The State Govt. has sanctioned rehabilitation loan of Rs. 830.00 lakhs through the Maharashtra Cooperative Development Corporation, Pune to Jagdamba Anusuchit Jati Co-operative Spinning Mill Madha Dist. Solapur and the said mill has repaid Rs. 277.11 lakh to the financial institution in one time. Hence the said spinning mill and financial institutions has submitted caveat application to D.R.T. Out of 12 co-operative spinning mills, the State Govt. vide its G. R. dated 31.12.2002 has sanctioned Rs. 870.38 lakhs to 9 co-operative spinning mills for the one time settlement of I.C.I.C.I. Bank's loan. Similarly the State Govt. also sanctioned Rs. 4449.11 lakh vide G.R. dated 31.10.2003 and interest of Rs. 3693.62 lakhs vide G.R. dated 06/05/2005 to 12 cooperative spinning mills for settlement of loan of I.D.B.I., I.F.C.I. and I.I.B.I Banks loan. The co-operative spinning mills which have sanctioned the financial assistance by Govt; have to mortgage the property of spinning mill to the Govt. as per the Govt. G.R. dated 05/07/2005.

Details of the 12 Co-operative Spinning mills are as under:

Sr. No.	Name of Spinning mill	Govt. G.R. Dt.31.12.02 I. C. I. C. I. (Principle)	Govt. G.R. Dt.31.12.02 I. D .B. I. I. F. C. I. I. I. B. I. (Principle)	Govt. G.R. Dt.31.12.02 I.D.B.I. I.F.C.I. (Interest of outstanding loan)	Remarks
1	Yeotmal Sah.Soot Girni Ltd, Pusad.	31.65	162.23	129.25	Liquidation
2	Maharashtra Sah. Soot Girni Ltd, Khadaka,	48.84	278.86	279.62	Liquidation
3	Painganga Sah. Soot Girni Ltd, Buldhana	183.00	546.50	417.86	Under Production
4	Vasantdada Sah. Soot Girni Ltd, Sangli	57.40	345.06	354.18	Liquidation
5	Renuka Adiwasi Sah. Soot Girni Ltd, Kinwat	140.00	420.00	420.55	Liquidation
6	Solapur Vinkar Sah. Soot Girni Ltd, Solapur	14.28	102.30	94.04	Liquidation
7	Sanjay Gandhi Sah. Soot Girni Ltd, Buldhana	155.00	427.40	348.73	Under Production
8	Vir Jagdeorao Sah. Soot girni Ltd, Buldhana	155.45	423.90	311.76	Closed
9	Prabhavati Sah. Soot Girni Ltd, Parbhani	84.76	264.24	321.06	Liquidation
10	Baramati Sahakari Soot Girni Ltd, Pandare	--	807.74	557.16	Liquidation
11	Jawahar Roto Sah. Sootgi Ltd Dhule	--	535.00	409.29	Closed
12	Nav Maharashtra Sah. Soot Girani Ltd, Sajani	--	135.88	50.12	Under Production
Total		870.38	4449.11	3693.62	

4) N. C. D. C. loan to Co-operative Spinning Mills for Modernization/Extension.

(Rs. in lakhs)

Sr. No.	Year	Budget	Expenditure	No. of spinning mill
1	2004-05	3482.40	3482.40	7
2	2005-06	911.70	911.70	2
3	2006-07	3991.15	2283.98	2
4	2007-08	1000.00	796.27	3
5	2008-09	7033.50	6990.67	5

As shown in the table the following 2 co-operative spinning mills has sanctioned loan for modernization/extension during the year 2005-2006.

- 1) Nav Maharashtra co-operative spinning mill Ltd, Ichalkaranji Dist. Kolhapur.
- 2) Kolhapur Zilla Shetkari Vinkar cooperative spinning mill Ltd. Ichalkaranji Dist. Kolhapur.

5) Managerial subsidy to Maharastra State Co-operative Spinning mills Federation Ltd; Mumbai.

The State Govt. vide G. R. dated 30/08/1999 provides financial assistance to Maharashtra State Co-operative Spinning Mill Federation Ltd. Mumbai for managerial expenditure and to appoint compitent staff. As per G. R. the Federation will avail this facility till it capable to work on its own OR for 5 years, whichever is first. From 1997-98 to 2001-02 the amount of subsidy that has to be given Rs. 15.00 lakh only. But the amount is increased to Rs. 25.00 lakhs from 2004-05 to 2008-09 vide G.R. dated 07/07/2005.

(Rs. in lakhs)

Sr. No.	Year	Budget	Expenditure	No. of spinning mill
1	2004-05	6.00	6.00	1
2	2005-06	50.00	50.00	1
3	2006-07	25.00	25.00	1
4	2007-08	25.00	25.00	1
5	2008-09	25.00	25.00	1

6) Loan for Rehabilitation to Co-operative Spinning Mills

The State Govt. provided rehabilitation loan to the co-operative Spinning mills vide G. R. dated 26/3/1987. This scheme helps the spinning mills to repay the outstanding loan of financial institutions and other financial assistance. The following 4 spinning mills have been sanctioned rehabilitation loan in the year 2004-05.

- 1) Shankarrao Mohite Co-operative Spinning Mill Ltd; Akaluj.
- 2) Jai Maharashtra Co-operative Spinning Mill Ltd; Islampur.
- 3) Dongari Co-operative Spinning Mill Ltd; Kadepur, Dist. Sangli.
- 4) Jawahar Roto Co-operative Spinning Mill Ltd; Dhule.

(Rs. in lakhs)

Sr. No.	Year	Budget	Expenditure	No Of Spinning mills
1	2004-05	2050.00	2050.00	4
2	2005-06	Nil	Nil	--
3	2006-07	--	--	--
4	2007-08	200.00	200.00	2
5	2008-09	300.00	300.00	4
		+ 3038.80		
		<u>3338.80</u>		