Chapter - X: **Kinwat Roofing Tiles (KRT)**

**Special Employment Promotion for Educated Un-employed (SEPEU) and other Promotary Activities.**

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Emergence of Kinwat Roofing Tiles:

Kinwat being a Tribal Area Industrially backward had no other potential for development of new industries. It was in 1974, therefore, decided to explore there the possibilities of promotion, only those industries based on the raw materials available. Simultaneously the consideration was also to provide the employment to unemployed local people. Area under Parali village in Kinwat Taluka was thought to have an ample clay deposits which was planned to be utilized for manufacture of roofing tiles. This clay was chemically examined by small industrial services institute and recommend as suitable for production of tiles. A feasibility report for the project was prepared and the MDC approached to SICOM for appraisal of this project. The SICOM in turn approved the project possibilities and project was proposed to be located at village Bodhari, a Railway Station on Kinwat-Mukhed line. The capital cost of the project was estimated to Rs. 60/- lakhs. The social welfare department agreed to participate in the project since the project has concern to the welfare of the tribal people.
The project in 1977 started the production. The project in the said year was of small size since the project was functioning with 25 workers and investment of Rs. 8/- lakhs. Although the authorised capital for the project is of Rs. 25/- lakhs, by the end of above year the paid up capital was only Rs. 9/- lakhs.

During the span of last ten years i.e. since 1974 to 1984 the project made very slow progress. An account of such progress is given here in nutshell.

Finance:

The share capital of the project by the end of 1984 was to the size of about Rs. 9/- lakhs and borrowed amount stood upto Rs. 2/- lakhs. The current liabilities, mostly of the MDC was to the size of Rs. 6/- lakhs. The fixed assets of the project was about Rs. 10/- lakhs. The requirement of the current assets, including cash in bank was around Rs. 2/- lakhs. Against this financial investment, the average employment provided by the project in 1984 was about 63.
Production:

The scale of production of the KRT is known from the following statistics:

<table>
<thead>
<tr>
<th>Year</th>
<th>Production of Tiles in Nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>17,834</td>
</tr>
<tr>
<td>1978</td>
<td>3,81,236</td>
</tr>
<tr>
<td>1979</td>
<td>4,00,580</td>
</tr>
<tr>
<td>1980</td>
<td>4,79,227</td>
</tr>
<tr>
<td>1981</td>
<td>4,40,186</td>
</tr>
<tr>
<td>1982</td>
<td>3,08,736</td>
</tr>
<tr>
<td>1983</td>
<td>3,98,702</td>
</tr>
<tr>
<td>1984</td>
<td>2,45,679</td>
</tr>
</tbody>
</table>

The scale of production seems to have been diminutive. The installed capacity of the factory is about 5,000 tiles per day — As against this there has been a very low scale of the production. The main reason for such low production is that the supply of raw materials is inadequate. Basic consideration for which the project was taken up at Kinwat vicinity was
that there were abundant raw material (clay) available. It was reported by the technicians and experts that number of age old tanks are existing in the radius of 25 kms. from which ensured raw material can be available. However in actual practise the expert's experience went to ground and the whole project come into the state of collapse. The project is further obstructed by the intermittent supply of electricity and by the inadequacy of fuel. It was envisaged in the initial phase of the production of the tiles, that the fire wood available locally would serve as a fuel for Bhatties. However it was noticed that the fire wood locally available is not of that worth. Normally Dhawada wood is required for firing and the same type of wood is rare in the local vicinity. If other wood is used, it changes the quality and colour of the tiles. As a result of this the KRT management took a decision to shift to coal fired Bhatties. Now the KRT has to use the coal which is 350 Kilometres away from the location. Even this coal is not available regularly Remotness of the coal place is inherent problem. The other consumables such as Kerosene, Fish oil, Mobile oil, Grease etc. are not readily available locally as per requirements. This also has contributed the intermittent disturbance in the
production. The interruption in Electricity supply has also resulted into increasing the number of machine hours and ultimately has affected the production. Thus there are many basic problems and they have cause the under-utilization of the plant and consequent low scale of production.

Marketing:

The KRT production up till now is successful in establishing the reputation as a quality product, so far as the strength, colour and durability are concerned. It also confirms to ISI specification. Normally the production is purchased by the Government for its hutment programme for landless labours. The KRT also sells the production locally. It has no problem of accumulation of stock waiting for the customers. The work of marketing of the products is looked after by two persons who also take care of the production work at spare time.

Sale, Profits and Losses:

The KRT is yet unable to reach the Break Even Phase. Since ab initio it incures the losses on rising scales. Its sales worth on the other hand has been
dimunative. This fact is confirmed from the following statistics:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales in Rs. '000</th>
<th>Net Loss in Rs. '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>5</td>
<td>117</td>
</tr>
<tr>
<td>1978</td>
<td>206</td>
<td>90</td>
</tr>
<tr>
<td>1979</td>
<td>294</td>
<td>149</td>
</tr>
<tr>
<td>1980</td>
<td>388</td>
<td>129</td>
</tr>
<tr>
<td>1981</td>
<td>419</td>
<td>111</td>
</tr>
<tr>
<td>1982</td>
<td>311</td>
<td>167</td>
</tr>
<tr>
<td>1983</td>
<td>256</td>
<td>169</td>
</tr>
<tr>
<td>1984</td>
<td>234</td>
<td>123</td>
</tr>
<tr>
<td>1985</td>
<td>239</td>
<td>146</td>
</tr>
<tr>
<td>1986</td>
<td>278</td>
<td>198</td>
</tr>
</tbody>
</table>

Source: Office Records of KRT.

The following are the reasons of the losses incurred by the KRT:

(i) Inadequacy of the raw material in the local vicinity causes the company to purchase the raw materials from the places away from the factory.
sites. Consequently there has been the increase in the transporting cost so also the purchases made in distance market are happened to often costlier due to competition in purchasing.

(ii) Interruption in the supply of electricity is common in the Kinwat Vicinity. Such interruption causes to increase the machine hour rate and consequent overheads.

(iii) The use of coal as a fuel for Bhatties is costlier and proves uneconomical. In the initial project report such use was not contemplated. But in actual working, the use of firewood (suggested by project experts for viable functioning) cannot be made on account of non-availability of quality wood. This naturally led the project into the losses.

(iv) Stoppage of work by the workers for higher demand in the wages also one of the loss contributing reasons.

(v) Since, the capacity of the plant is not fully used, the production overheads like depreciation charges, insurance of machinery etc. are not fully exploited for the actual production and
they remained un-reimbursed from the sales. So also the finances sought through borrowings and interest paid thereon by no way justify the scale of production and sales.

(vi) The labour control is found as weak. There has been many loopholes noticed in the survey like unrecording of the performance of the labour, incorrect maintenance of the books such as labour muster, payment register, attendance-cum-leave register etc.

**Employment Generation:**

The employment generation in the tribal vicinity of Kinwat was the main object of the KRT. However the KRT could not generate the large scale employment. It could provide the employment to about 60 to 70 persons. The indirect employment generation is estimated around 300. In fact it (KRT) has a plan to set up an example of its business to others for starting of similar tile-manufacturing units in the tribal areas. But the failure of KRT in many respects did not encourage the new entrepreneurs to come into such type of venture. Since the KRT fails in the venture, there is a wastage
of resources. The employment appears to be generated at a very costlier scale of the social cost which is indirectly reflected by way of losses accrued to the KRT and other remunerative opportunities forgone by the capital which is invested into the KRT. It is suggested that the MDC, if wants to keep the tempo of the employment generation in the tribal areas it should explore other avenues.

- II -

**Special Employment Promotion for Educated Un-employed (SEPEU):**

The special employment programme for educated unemployed initiated by the Central Government in 1972-73. Since the year 1976 the Maharashtra Government undertook the responsibilities of exploiting this scheme. The MDC is made as Government's agent in Marathwada for administering the scheme in the light of the norms laid down by the Central Government. The salient features of this scheme are as follows:

(i) **Eligibility for Applicant:**

The applicant for loan should have pass the SSC examination or should possess the technical-diploma or
certificate in case he is non-matriculate. The age of applicant should be in between 18 and 40. The business can be done in the partnership. However only the partner who is educated in the above way and is unemployed is eligible to get the assistance under the scheme. If the applicant is employed and has a desire to undertake the business activity under the SEPEU, he has to give the guarantee or assurance letter from his employer that he would leave the service as soon as he undertakes the business activity.

(ii) Seed Capital Assistance:

Normally the bank under SEPEU sanctions 75% of the total loan requirement at the prevailing rate of interest and 20% loan requirement is met by the MDC from the Government funds at the rate of 4% interest rate. This concessional Seed Capital Assistance is available to those who are earning the income below Rs. 4,800/- per annum and whose loan requirement does not increase more than Rs. 1,00,000/-. The applicant from the SC, DNT, or VJ categories are given with 22.5% seed capital assistance.
(iii) The entrepreneur requiring the seed money assistance is required to approach to the District Industry Office with the duly filled prescribed application form, feasibility report and required documents. The industrial office extends necessary consultation in the contemplated project and forwards the scheme to the concerned commercial bank under which jurisdiction the business of the entrepreneur lies. The bank officer scrutinizes the application, feasibility report and documents and also visits the place of business. If the bank finds the project as viable it recommends the same to the MDC for sanction of the seed money assistance and releases its share of loan.

(iv) The entrepreneur in the process of repayment of loans has to meet the loan claims of the financing institutions on priority and then he has to repay the seed capital loan to the MDC.

The Seed Capital Assistance as said already has been practised by the MDC since 1976. The MDC has to function in many respects for making this programme successful. It gives the sufficient publicity to this scheme in the rural areas, attracts the potential youths for business, prepares the feasibility reports
for them, tries to assist the youth/entrepreneurs when the project is into the installation phase, undertakes the production and also the marketing care of the product and finally assists the commercial bank to recover the loan alongwith its seed money loan capital. The tasks entrusted to the MDC are, however, nominative in nature and there is no assigned programmes or performance budget for the above tasks to be carried by the MDC. As a result of the elastic frame work of the functioning, the ultimate outcome of the efforts of the MDC is far from satisfactory. It is interesting to have the knowledge of the MDC's efforts in the terms of statistics and hence the subsequent delineation has this aim.

During the first year of the implementation of the scheme, the MDC disbursed Rs. 2.40 lakhs to 240 applicants as seed capital loans. After mid-seventies the number of persons taking benefits of the Seed Money Assistance has considerably been increased. The following table informs about the different types of the business units financed by the MDC during the period from 1975-76 to 1984-85.
<table>
<thead>
<tr>
<th>Types of Business Units financed.</th>
<th>Number of Units under category.</th>
<th>Percentage to total.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIS Units</td>
<td>2,612</td>
<td>17</td>
</tr>
<tr>
<td>Dairy Units</td>
<td>1,103</td>
<td>07</td>
</tr>
<tr>
<td>Business</td>
<td>11,996</td>
<td>76</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,711</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Office Records of MDC.

The above tables informs that ab initio of the SEPEU to upto 1985, the MDC gave seed money assistance to about 16,000 entrepreneurs. The amount of seed money loan was to the tune of Rs. 564.92 lakhs (Table No. 10.1). Among the beneficiaries, the largest number of (76% or 11,996) entrepreneurs was from the category of businessmen or manufacturers. The entrepreneurs from the category of Small Scale Industrial (SSI) were 2,612 or 17% and from the category of Dairy business were 1,103 or 7%. Small Scale Industrial Units which were assisted are normally soap making, chemicals, builders, engineering, workshops, wooden furniture making, ice candy, mirchi-masala grinding etc. The assisted business units consists of flour mill, laundry, type-
writing, radio and watch service, cycle taxi, charcoal making, foot ware, grocers' shops, fruits/vegetable shops, stationery and cutlery and such other.

It is noticed (Table No. 10.1) that the number of entrepreneurs assisted by the MDC were mostly from the urban areas. Thus out of the total entrepreneurs (15711), as large as 11,940 or 76% were from Urban areas and rest of the 3,771 or 24% entrepreneurs were from the Rural areas. The number of urban entrepreneurs receiving seed money assistance is more because the urban entrepreneurs have easy access to the MDC and to the commercial bank. So also they are having required infra-structure to start business. As contrast to this the rural entrepreneurs are invariably away from the banks and are not having required information to start the business. As a result they are small in number for seed money assistance.

It is also seen from the Table No. 10.1 that the average seed money assistance disbursed under SEPEU against the applicant is more (Rs. 5,723/-) in rural areas and less (Rs. 2,923/-) in urban areas. The case is such because the MDC has a prime objective to generate the self-employment in the rural area on priority and hence it, with consultation with the banks, has made a
concern to give the maximum possible finance to potential entrepreneurs from the rural areas. The commercial banks have also responded to the MDC with equal zeal because the rural youths could offer an adequate security of the landed assets for loans. As contrast to this the urban unemployed youths are unable to give adequate security for loans and hence the banks sanction them small amount of loans which result in securing the small amount of Seed Money Assistance.

The MDC for developing the entrepreneurships or business in the region has undertaken number of programmes and the State Government has been looking the MDC as the connecting link between the businessmen and the Government for percolation of the benefits of the various schemes. The brief review of the Government and MDC's efforts is taken ahead :-

(i) **Stipendary Training** :

The potential entrepreneurs are selected and they are given the work training for the period of six months. The living allowances and stipend for the course are given to such trainees by the Government through the MDC. The training serves the three purposes as follows :-
Table No. 10.1: Amount of Seed Money Assistance released by the MDC in Rural and Urban Areas and the number of beneficiaries in them (1985).

<table>
<thead>
<tr>
<th>Area of Operation</th>
<th>Number of Units financed.</th>
<th>Amount of Seed Money disbursed (Rs. in '0000)</th>
<th>Average amount of Seed Money against per entrepreneur (Col. 4 = Col. 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Area</td>
<td>11,940</td>
<td>349.12</td>
<td>2,923</td>
</tr>
<tr>
<td></td>
<td>(76%)</td>
<td>(61.80%)</td>
<td></td>
</tr>
<tr>
<td>Rural Area</td>
<td>3,771</td>
<td>215.80</td>
<td>5,723</td>
</tr>
<tr>
<td></td>
<td>(24%)</td>
<td>(38.20%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15,711</td>
<td>564.92</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(100)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Bracketed figures indicate percentage to total.

Source: Office Records of MDC.
Firstly, the candidate gets the job training. Secondly, the employer engaging the trainee in his factory receives the services of the trainee free of cost and Thirdly the candidate may get the employment on the basis of work experience or start its own business with the help of seed money assistance.

Although the stipendary training scheme has a good intention to prepare the candidate for self-employment or job, many youths do not take appropriate advantage of the same. They treat the scheme as stop-gap arrangement for getting white collar job in the Government Department or in the private sector. Many a time false certificates about the income are submitted and benefits of stipend and living allowances are enjoyed. As pertains to the administration of the scheme, many loop-holes are seen. Most of the time the job training provided is unsuited to the requirements of the candidate. The employer also is unwilling to absorb the youth in his business. Sometimes the employer and trainee mutually shares the stipend and living allowances with the understanding that trainee will not come to job and the employer will show his false attendance.

(ii) Package Incentive Scheme: The Maharashtra Govt. has instituted this scheme for extending some incentives
like exemption from the Sales Tax, permission to use the payable Sales Tax amount for the business in the form of interest free term loan, Grant-in-aid for capital needs, octroi payments, preparing the feasibility report etc. The MDC is working on behalf of the Government for distributing the benefits under more schemes. For the purpose of the scheme, the backwardness of the area is identified in the categories as 'A', 'B', 'C', and 'D'. If the area, say for Poona District is fully developed it comes in the 'A' category.

The areas coming in the 'B', 'C' and 'D' categories are eligible for incentives. Under this scheme only newly started business units can take the advantage. The incentives are available for industries from 'B' area upto the period of three years, from 'C' area upto the period of five years and from 'D' area for the period of seven years. All the Talukas of Marathwada (excepting Aurangabad included in 'B' and excepting Jalna, Parbhani, Vasamathnagar, Pathri and Nanded Talukas included in 'C') are coming in 'D'. It means the Marathwada Region has good chances to take the advantage of the Package Incentive Scheme of the Government.

The applicant-entrepreneurs desiring to take the advantages of the Package Incentive Scheme has to approach
to the District Industrial Office for consultation and the submission of his application along with the necessary documents. The Industrial Officer after preliminary investigation, sends the application to the concerned financing institution or bank which in turn evaluates the feasibility of the proposal and if the same is up to the mark and valid the bank tries to assist the entrepreneurs. The MDC is given the pre-knowledge of such approval since the MDC has to exert the overall control over the administration of the scheme in the right sense of the spirit.

About the administration of the scheme, the procedure, as report goes, is cumbersome and the undue delay is caused for getting the benefits. The concern officers also expect some favour from the beneficiaries. The applicant of the schemes many a times submits the false documents and deceives the MDC or Bank. The middlemen who manage to get the work done for the entrepreneurs are playing very dominant role since they have through knowledge of the scheme. Their fees are also heavy but the people of no influence such as from the SC/St etc, have no other go but to take the shelter of such middlemen.
The details of incentives offered to industrial units under Package Incentive Schemes since inception upto 30-6-1985 are given below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Rs. in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Sale Tax Loan</td>
<td>... 50.37</td>
</tr>
<tr>
<td>b) Special Capital Incentives</td>
<td>77.32</td>
</tr>
<tr>
<td>(10 to 15%)</td>
<td></td>
</tr>
<tr>
<td>c) 5% MIDC Incentive</td>
<td>... 49.29</td>
</tr>
<tr>
<td>d) Octroi Refund</td>
<td>... 04.24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>181.22</strong></td>
</tr>
</tbody>
</table>

**Mini Industrial Estates:**

The Corporation (MDC) has a plan to set up a chain of mini-industrial estates (MIE) in the rural part of Marathwada with following main objectives:

: Provide the employment opportunities to local youths.
Promote infra-structural facilities of fair size so that not only the entrepreneurs from the rural area will be attracted but also the urban entrepreneurs will come in the rural area for taking the business.

Promote the use of local resources, especially surplus man-power which is engaged in agricultural.

The objectives are to be achieved by providing small-built up sheds. Each estate consists of 10 to 12 sheds of 300 to 400 Sq.ft. built-up area and an independent plot of 40' x 30'. By the end of eighties the MDC has constructed some industrial sheds of 200 to 300 Sq. ft. common walls at the places like Ambad, Vaijapur, Sailu, Kinwat etc. The MDC has now a comprehensive plan to make all out efforts for the installation of the industrial estates at Kannad, Georai, Purna, Kandhar, etc.

As pertains to the establishment of the industrial estates the report goes about the dismal attitude of the MDC Officers in gearing the industrial estate project. Though the MDC has constructed some industrial sheds, these sheds are allotted to the persons of influence. Some industrial estates are planned in such area so as to
give the value to the land adjacent belonged to the officers of the MDC or Political leaders. The selection of the sites is not made as against the scientific consideration. It is also reported that the MDC's Projects of the industrial estates are proclaimed by the leader on the political platform so as to boost the confidence of the voters in the favour of the ruling party and after such proclamation the project comes to the MDC for its implementation. Hence ab initio the project of Industrial estate intermingled with so many locational odds such as unsuitability of the place at which the estates is going to be installed, lack of required facilities like water, raw materials etc. etc.

The MDC has also many obstacles. The main obstacle is that the lack of funds and the adequacy of the expert staff to run the industrial estates project. On the whole it is observed that the Mini-Industrial Estate Project of the MDC has not made any specific land-mark in the industrial history of Marathwada.

Promotion of Spinning
Mill Cooperatives:

In the process of installation of the integrated power loom project, the MDC has always felt that one
important link in the whole process is missed i.e. Spinning Mill. The factor of unsteady supply of yarn has been always creating the hurdles in the production process of TEXCOM and Powerloom Societies. In view of this and as a further step towards resource based industrial development, the MDC took a task of promotion of five spinning mills in the five districts. In an addition to this, the MDC undertook the work of expansion and modernization of the, then existing two Spinning Mills at Nanded and Latur (1974). This was done for linking up of their production with the requirements of TEXCOM and Powerlooms. The Government of Maharashtra also extended in mid-seventies the public assurance for setting up of the above five mills and such assurance stimulated the MDC to undertake active action towards the establishment of the spinning mill in the cooperative sector. In response the four spinning mill projects in mid-seventies were being promoted at Umari in Nanded District, at Udgir in Osmanabad District, at Jalna in then Aurangabad District, and at Parbhani in Parbhani District. Each of these mill had collected the capital to the size of 8 to 10 lakhs. A promoter group in the Bhir District was also active in collection of the share capital for starting the spinning mill in the district.
As a promotional support the MDC had managed to prepare the feasibility reports for five spinning mills through the All India Federation of Co-operative Spinning Mills. A joint loan application was then submitted to IFC for financial assistance. In view of the fact that the number of Spinning Mills had become the sick, the financing institutions were more cautious while considering the application of these cooperative spinning mills. However the study carried by Ghokhale Institute of Economics and Politics, Pune and Tata Consultancy Services revealed that only Textile has got good scope in Marathwada Region. Therefore, by the end of mid-seventies concentrated efforts were made by the MDC to promote these mills.

In spite of the MDC efforts all these Spinning Mills in the co-operative sector are not functioning on viable basis. These mills experienced many problems such as heavy overheads, shortage of raw material, inadequacy of electricity, out dated machinery giving low productivity etc.
Cooperative Oil Industry its Administration and Promotion:

The MDC had an opportunity to enter into the management of the Cooperative Oil Industry in 1976 when the State Government appointed the MDC as administrator to take care of the cooperative oil industry at Latur. This cooperative unit had been sick from some years and hence the MDC had started to take all possible steps to streamline its management and revitalise the unit. During the period 1976-77 the MDC had tried its level best to re-generate the activities of this sick unit. Proposals for technical and economic re-vitalization had been prepared and were sent to the Government and National Development Corporation for approval and necessary action.

During the first year of administration, the job work of crushing Neem Seed was taken up and the profit of Rs. 8.11 lakhs accrued to company from this work. Besides, the cotton seed of 3,900 tonnes was procured through the Marketing Federation and Maharashtra State Cooperative Bank and crushed. Some technical improvements were made and the crushing capacity of the machines were being made to increase from 40 to 100
tonnes. The plant maintenance was awaiting since long hence two maintenance engineers were appointed to look after the same. This action produced very good results. With the help of these engineers the performance of the plant and machinery was carried out and corrections were made. This had led the utilization of the plant to the extent of 80% of the rated capacity. The goods worth of Rs. 23.41 lakhs lying in the Godowns and likely to go bad for human consumption had been sold out at the purchase price. The attention was also paid to the recovery of the overdues and also the bad debts.

Besides, the sales, accounts, administrative services and security arrangements were restructured with the consultation of broad based Advisory Committee. Numerous financial concessions such as relief from the interest payments, exemption from the octroi etc. were sought.

Despite all out efforts of the MDC administrators, the Oil Mill brought into liquidation in 1978 because of the following main reasons :-

(i) The burden of accumulated losses was so heavy that the mill was unable to carry on the operation.
(ii) Despite the requirement of plant modernization, the same could not be undertaken due to inadequacy of the finances and expert guidance.

(iii) The workers working in the Mill had lost the confidence over the management on account of delayed payment of the wages and this led to weakening the internal control over the inputs.

Besides the direct participation in the Oil Mill Project at Latur and its liquidation at the hands of MDC, the all out promotional support has been started to be rendered by the MDC to the Cooperative Oil Industries Complex which was being set up in mid-seventies at Dharmabad. In this complex the Sarswati Cooperative Oil Extraction Plant was set up in 1978 at Jalna. The MDC had also provided all sorts of the help to this plant right from installation to marketing the product. This plant is with capacity of 80 tonnes of oil cake per day. The plant is useful to several oil Ghanies of Jalana area. Previously in the absence of central solvent extraction plant, huge amount of oil used to go waste. In view of acute oil shortages experienced in the country, it is therefore necessary to establish such unit. The Khadi Village Board has also hand in such project.