Chapter - IV: Significant Aspects of Cooperative Industrial Estates (CIEs)

- Introduction
- CIEs in Jalgaon District
- Number of CIE
- Membership
- Share capital: A source of own finance
- Government participation
- Sources of Finances
- Loans from Apex, Central and Urban Cooperative Banks.
- Loans from State Bank of India
- Loans from LIC
- Loans from MSFC
- Size of outstanding borrowings, and financing agencies
- Liabilities of CIE and working capital
- Total Assets, Debtors and overdues
- Statutory Reserve/Other Funds and Deposits
- Working Expenses
- Profit and Losses
- Salient Features of CIEs Management
- Managing Committee
- Office Bearers
- Supervision
- Inspection
- Achievements
- Economic Benefits
  i) Convenience
  ii) Cheap Credit
  iii) Rescuing the entrepreneurship from the clutches of private lending agencies
  iv) Better use of credit
  v) Popularizing modern input in the form of machinery etc.
  vi) Better profit to entrepreneurs
  vii) Development of Rural entrepreneurship
  viii) Employment Opportunities
  ix) Encouragement of thrift and Savings
  x) Capital Formation

- Social/moral benefit
- Educational benefits
- Political benefits
- Role in implementing 20 Point Economic Programme
- Expectation not fulfilled
  : Hapazard Planning
  : Inadequate supervision and inspection
Lack of prompt audit of finance and performance
Problem of raw material
Problem of Finance
Problem of marketing
Lack of coordination between Government Departments
Absence of loyalty of entrepreneur members
Official sponsorship of CIEs
Lack of congenial atmosphere
Uninspiring leadership
Recent origin
Outdated practices
Inadequate linking of credit with marketing of Industrial goods
Heavy Transport cost

- Remedies

i) Need for revitalization and reorganization

ii) Provision of raw materials

iii) Improvement in marketing facilities

iv) Provision of credit facilities

v) Need for a single agency

vi) Establishment of strong federation

vii) State Partnership

viii) Modernization

ix) Establishment of one or two large scale unit

x) Ensuring cooperative character.
Introduction:

The technique of industrial estate has been recognized as a modern tool for industrialization in many developing countries of the world. If this tool belonged to cooperative ownership, this would be beneficial to many people who are weak basically in possession of resources. Co-operative Industrial Estate (CIE) solves the problem by organizing resources under cooperative roof. The Maharashtra is always ahead in organizing cooperatives for different purposes. The organization of cooperative industrial estates occupies prime importance in economy of the state. This chapter highlights various issues of CIEs in the context of their direct and indirect contributions to economy. The working of these estates highlights various facts about their positive contributions and hence the same is highlighted in the chapter. Since the various empirical observation are made by visiting CIEs in Jalgaon District, it is thought reasonable to study briefly the bio-data of each CIE from this district and, hence, the first part of chapter is devoted for the same.
CIEs in Jalgaon District:

There are 14 CIEs in Jalgaon district. Out of these only six CIEs are in function at different places i.e. at Jalgaon, Bhusawal, Chalisgaon, Amalner, Chopda, and Pachora. CIEs at Jamner, Savada/Faizpur and Parola though they are organized by members with share capital amounting respectively Rs. 62.50, Rs. 120.00 and Rs. 24.50 thousands are yet to be started. In order to facilitate the organization of these CIEs Government has provided 20.88 hectares of land to Jamner - CIE, and 5.37 hectares of land to Savada/Faizpur CIE. The rest of the CIEs i.e. Parola, Bhadgaon and Edlabad are yet to receive land. The promotion of these CIEs are in progress.

This chapter briefly discuss salient features of six functioning CIEs from Jalgaon district.

CIE - Jalgaon:

The estate is located adjacent to Jalgaon where about four lakhs of people are living. Number of favourable factors such as low rates of land, reasonable construction expenses, availability of already existed
infrastructure, government assistance, political support, convenient access to Bombay, Poona, and Nashik for marketing are responsible for the establishment of this estate.

The total share capital of CIE amounts to Rs. 738.60 thousands, while Government contribution to this amounts to Rs. 436/- thousands. The LIC loan liabilities amount to Rs. 925/- thousands. The total book cost of infrastructure is Rs. 3,356.40 thousands and the market cost of the same is as high as Rs. 15/- crores.

The estate has 18.3 hectares of area where 133 plots are carved. All these plots are allotted. However only 54 sheds are constructed and out of these, 48 sheds are with units functioning. Area under factory plots is 13.63 hectares while under road it is 3.50 hectares. 17,000 Sq. ft. are occupied by the administrative building.

The CIE- Jalgaon has number of different types of industrial units like Textile Mill, milk processing, paper products, Nylon weaving, oil mill, tyre retreading, cement product manufacturing, engineering workshops,
medicine producing etc. All these units are with employment of 935 workers by 1990 end. Added to this, some two thousands workers are employed indirectly for facilitating the working of the above units. The large units like Jalgaon Re-rolling Co. Ltd., Chimandals Ashok Kumar, Ruby Surgical Company, Raison Engineering, and Jaibharat Dal Mill provide the employment to substantial number of persons i.e. about to 400 workers. The employment potential of the rest of units is small.

Excepting three private limited and six partnership units all the units are under the proprietary management. Seven units are having their head offices at Bombay or at Poona. Almost all the entrepreneurs or owners are from the Jalgaon District.

The estate is equipped with all the necessary facilities like water, electricity, police protection, post office, Bank, medical etc. Sewerage arrangements are yet to be made. IFC, LIC and Commercial Banks provide the finance to industrial units.

CIE receives the annual rent from its tenants amounting to Rs. one lakh. Besides it has income from
fees, subscription and such other sources. All the income so received is used for repairs and maintenance of infrastructure belonged to it. Cheaper rent, convenient location, nearness to market, supply of labour from the nearby areas, availability of civic amenities etc. are the factors which have developed the CIE. Agro-based industries from the CIE facilitate use of input available in the district. DIC centre is with special port-folio for assisting the industrial units. Common repair workshop-cum-facility centre is organised by the DIC and estate office jointly. This is useful to entrepreneurs.

CIE - Amalner:

The Amalner city, 60 kilometres away from Jalgaon has with population more than one lakh. The CIE is located 2 Kms. away from the city boundary. Power, water and transportation facilities are available to this CIE. Total land under estate is 16.18 hectares. All the land is given by the Govt. on lease almost at nominal charges. This has motivated entrepreneurs for establishment of industrial estate. Total area under factory plots
is 84 thousands Sq. metres, while areas under roads and open space are respectively 50 and 18 thousands Sq. metres. An area under administrative building and for other office purposes is 8,550 Sq. metres.

The total share capital of CIE amounts to Rs. 651/- thousands, out of which Rs. 222.50 thousands came from the Government as matching share. The total book cost of infrastructure, is 11,240.30 thousands. The market cost of which runs above Rs. 3/- crores.

The CIE has 100 plots and it has allotted 88 plots. At present only 6 sheds are constructed for six industrial units i.e. Textile mills, vegetable Ghée Factory, Soap Factory, Tobacco processing and Oil Mills. All these units have employed 80 workers.

The estate consists of two large units named R.K. Food Pvt. Ltd. and Narinda Oil Industry registered under small-scale industries act. All these two factories are under partnership management, while the rest are managed by proprietors. The entrepreneurs belong to Amalner itself.

As said already the factory has equipped with all the necessary infrastructures except post office,
Bank, and residential accommodations. There is no need of sewerage, since the units are scatteredly located.

The income of CIE is about 40,000 per year consisting of rent, fees, subscription etc. This income is used for the maintenance and watch and ward services.

The financial facilities are provided by the commercial bank and IFC for the purpose of meeting fixed and working capital requirement of units. The financial help so given is a boon to the economy around the estate.

CIE - Chalisgaon:

The city of Chalisgaon 100 kilometres away from the district headquarter is having population of about one lack. The CIE is located at the distance of five kilometres from the main business place of the city. The total area of the estate is 9.2 hectares belonged initially to Government. The CIE is having at present the share capital amounting Rs. 7.87 lacks, out of which Rs. 5.97 lakhs are contributed by the
State Government. The LIC has so far provided the loans amounting Rs. 6.50 lakhs.

The total book cost of infrastructure is Rs. 40.70 lakhs as against the market cost of Rs. 2/- crores. The CIE is housed at the location which is conveniently linked to road and rail line.

The total number of plots carved are 58, out of them 57 are allotted. 23 entrepreneurs have constructed their sheds individually. All these entrepreneurs belong to local vicinity. They have constructed the sheds by securing finances from the LIC and IFC.

The estate has 8 industrial units consisting of oil mill, textile mill, sugar factory-refinery, solvent plant and dairy business. The total employment of permanent nature as reported by the DIC office is of 1,350 persons. In addition to these employed, about 300 workers are employed to facilitate the working of the above business units. All the business units are agro-based requiring input from the nearby hinterland.

The income of estate is about Rs. 10,000/ per annum received by way of rent, subscription, and fees.
Almost all the income so received is spent for maintenance and security.

Municipal water supply and MSEB electricity, are available to estate. Post Office, Bank, Police Chowki, Telephone facility, and telegraph office are away from the estate. There is no need for testing facilities is envisaged. The sewerage disposal arrangement is yet to be completed.

About 600 workers both directly and indirectly are employed. They may need necessities to the worth of Rs. 20 lakhs which may in turn create the demand for them.

CIE - Bhusawal:

This CIE is located 27 Kms. away from Jalgaon and it is near to Bhusawal, just about 2 Kms. The population of Bhusawal is more than 1.5 lakhs. The industrial estate is providing economic base to this city and vice-versa. In other words both the city and estate are depending on each other.

The total area of estate is 7.2 hectares on which 51 plots are carved. 50 plots are allotted by keeping an one plot in reservation for opening welfare centre.
for workers. Area under factory plots is 9.3 hectares while under road it is 1.34 hectares. An administrative building occupies an area of about 3,000 Sq.ft. 27 sheds are constructed for 27 industrial units of different types like spinning and weaving mill, oil mill, Dal mill, Ice factory, chemical factory, cement pipe factory etc. Among all these units A.K. Ghosh and Company from Calcutta is engaged in paper cutting, since the estate is near to the Nepanagar Paper Mill, from which the raw material is procured. Similarly, Bombay is also the place of market to this unit. Other notable industrial units in the estate is Indor Gum Product. This unit gets the raw Gum from Yaval forest range of Jalgaon district. The Bread factory shifted from Nagapur is also famous for Khandesh Food products.

The supply of water is arranged independently. All the other facilities are provided by Municipal Corporation. Some entrepreneurs have provided accommodations to their workers.

The members' share capital of the estate amounts to Rs. 324.40 thousands and Government has contributed
equal amount i.e. Rs. 340,40 thousands towards the share capital. Outstanding liabilities of LIC finance with estate stands to Rs. 602.70 thousands. The aggregate book cost of the General Schemes is to the size of Rs. 2,745.00 thousands, the market cost of which is estimated to Rs. four crores.

Number of persons working in all the industrial units in the estate is 675. Addition to these, about 500 workers got indirect employment which is drawn from the nearby areas.

Estate has not provided any centre or office devoted to technical assistance, quality control, testing of product, vocational training etc. Entrepreneurs face many problems in the absence of facilities. Many entrepreneurs, hence, have transferred their sheds to others. Despite many odds, the estate is creating favourable impact in and around the economy.

CIE - Pachora:

Few entrepreneurs started this CIE only because the Government had provided the land of 8 hectares at the rate of Rs. 2,400/- per hectare near Pachora town.
which has population about 45 to 50 thousands. The members have contributed the share capital amounting to Rs. 772/- thousands and Government has provided the matching share of Rs. 565.40 thousands in response to this. The LIC has provided the loan of Rs. 1,143/- thousands. Commercial Bank and other banks has also provided a loan for setting up of infrastructure. The total amount so far spent amounts to Rs. 20,009/- thousands for developing 56 plots. Areas under open space and roads are measuring to 2,529 Sq. metres and 6,692 Sq. metres respectively, while area under administrative building was 270 Sq. metres.

All the 56 plots are allotted to members on lease basis. Members received loans from CIE and from other sources for the construction of sheds. In the course of construction of sheds members jointly have supervised the work and share many cost items in proportion to built up area. This had economized the initial cost. Total number of 24 sheds are constructed. The shed construction work took about one year.

All the entrepreneurs have organized the industrial units on small-scale for securing the
advantages of various Government policies of protecting the small and cottage industries. Although in the beginning the promoters approached few big units already established in Bombay, and Poona for opening of their units in CIE, the response was poor. Only one industrialist took the plot but later on he closed down his unit and handed over the plot to CIE.

To-day CIE Pachora is having various types of industrial units. Out of the total number of 56 sheds so far constructed, 37 sheds are actively used by the entrepreneurs. Five oil mills, one oil mill refinery, two soap factories, Aluminium pot factory, tin factory, fertilizer bags manufacturing, and packing paper units are the unique feature of CIE. Other miscellaneous units are functioning on very small scale and their contribution seems to negligible. Few i.e. 6 units are organised on partnership basis and rest of the units are owned only by an individual.

The total employment provided by all these units together was as large as 350 persons. The existence of CIE has resulted into establishment of other enterprises consisting of bank, retail shops, hotels,
schools, etc. Similarly, the already existing enterprises in the city have been expanded to cope with an additional requirements.

Business units in CIE demand inputs having their supply mostly from the agricultural sector. This is good to economy of Pachora.

CIE receives the rent for plots of Rs. 30,000/- in the year and Rs. 25,000/- by way of fees, joint subscription, commission etc. The cost of repair and maintenance of CIE is met through this income. There is only two persons, one is security guard and other is Secretary who work for CIE and for which CIE pays the salary. Most of the maintenance work is done on contract basis.

CIE is having good accessibility to main road, Municipal water supply, electricity, post office and bank. Telephone facilities are available to only few units. Although CIE is in need of one police chowki, dispensary and few residential accommodations, the same are yet to be provided for. An one service workshop is being established for the use of all the
members. The absence of sewerage may be harmful in future. CIE office hence has prepared a scheme for installation of sewerage and approached to the Municipal Office.

Technical guidance facilities are provided by DIC. Members desire to give vocational training to aspirants who wish to work with them. However no such scheme is available for providing the training.

The purchase of input for oil mills is source to spread good linkage effect in the favour of farmers. Since the inputs are purchased through Cooperative Marketing Committee, an integrated schemes of credit for many purposes are evolved. Other industrial units get the input from the outside Maharashtra through truck transportation net-work.

About 350 workers are employed by the industrial units of CIE. The indirect employment for facilitating the work of industrial units is the neighbour-hood of 500.

CIE - Chopada:

Chopada a town 65 kilometres away from the Jalgaon city is having CIE located outside the limit
of Municipal area. The population of Chopada is about quarter and half lakh. CIE is one of the reasons for the population growth. The total area of the estate is 8 hectares, partly purchased and partly secured from the Municipal authorities at free of cost. The CIE is, at present having share capital amounting Rs. 3.75 lakhs, of which Rs. 1.50 lakhs are contributed by the State Government. LIC has not provided any loan for construction of the estate. However the SBI has given a loan for construction of initial requirements of the estate.

The location of estate is adjacent to highway accessible conveniently to almost all the key places.

Area under factory plots is 50 thousand metres and under roads 19 thousand metres. Open space of 10 Sq. metres is kept for industrial garden and for expansion. A separate administrative building measuring 6 thousand metres is constructed for office use. An additional area of 4,000 Sq. metres is left for constructing common facilities centre.

The total cost of CIE's property at market rates is worked out to be of Rs. 80/- lakhs.
There are 84 plots out of them 25 plots are allotted to members on lease basis. 8 sheds are constructed individually by the members.

The members avail the finance from the IFC for construction of sheds. The construction of sheds by the few members was done on joint basis. Two entrepreneurs belong to other places (Bombay). They have constructed the sheds on their own accord without taking the finance.

There are at present 7 oil mills, 4 ginning processing factories, one ice production shop, one trolley manufacturing and 2 Dal mills which are in production. Besides 3 other engineering shops are also engaged in repairs of automobiles. These shops are housed in temporary hut like accommodation.

Almost all, excepting two partnership units are under the proprietary type of management.

During the month preceding to the date of survey there were 65 workers employed in all the above industrial units. In addition to these some 100
workers are indirectly connected with the work of industrial units in CIE.

Almost the majority of the industrial units functioning is agro-based requiring input from the nearby areas. Even repair shops, too, are engaged in, repairing the machinery, vehicles etc. required on agricultural farm.

The income of CIE is too low to meet the working expenses. It receives the income by way of rent, fees, subscription, and interest commission for linking financial lending agency to entrepreneurs. The total amount so received in the year is about 10 thousands. The same is spent for maintenance and watch and ward services.

The estate has independent water supply arrangement consisting of lift irrigation installation on well at the bank of small river. Pipe line ranging about 2 kilometres is set for water supply from the above installation. Sewerage arrangements are not found necessary since the estate is away from the main town and sheds in it are having sufficient open space around. School, residential accommodation & hospitals, post
The economic linkage effect is observed to be small. The estate has provided employment to about 100 workers.
CIE plays significant role in the economy of Maharashtra since the beginning of seventies. The major portion of assistance to these CIEs come from the local bodies and the Government in number of ways.

There were 65 CIEs in 1971, 96 in 1981; 175 in 1989 and 179 in 1990; out of these 51, 87, 139 and 139 were respectively in production. Thus the number of CIEs both in existence and production have increased gradually during the period under review. Few CIEs could not manage to start functioning. The enquiries revealed the following facts for non-functioning of these CIEs:

- Some CIEs could not complete their infrastructure for the use of industrial units.
- The differences among the promoters and members delayed the decisions either in completion of CIE sites or in allotment of plots.
- The lack of finance both with the CIEs and entrepreneurs obstructed the construction work.
: Government office Red-Tapism in processing the documents in connection with the CIE.

: Some CIEs, despite all the required infrastructure are closed on account of failure of industrial units to function on viable basis.

The Government of Maharashtra in pursuance of industrial policy has instructed DIC offices and cooperative department office of each district about assisting those CIEs which are not functioning.

The District-wise and Region-wise distribution of CIEs is learnt from the Table No. 4.2.

Out of the total number of CIEs in the state, 6 were in Nagpur Division, 11 in Amarawati Division, 23 in Aurangabad Division, 51 in Pune Division, 36 in Nashik Division and 46 in Bombay Division. The maximum number of 32 CIEs were in Bombay district while the Gadchiroli district was without any CIE. A need to establish the CIEs in various places at many districts is envisaged by the State Government and it has undertaken an active steps for the same.

Out of the total number of functioning CIEs, the maximum number of 44 CIEs was in Pune or in Bombay.
Division, while Amarawati or Nagpur Division had CIEs numbering only 5 each.

The Jalgaon district had 6 functioning CIEs as against 14 CIEs established by 1989.

All the CIEs i.e. both functioning and non-functioning in the state were 175 having 5,120 industrial sheds. The maximum i.e. 2,478 industrial sheds were in Bombay Division and minimum i.e. 61 worksheds were in Amarawati Division. Industrial sheds in CIEs at Jalgaon district were 181 in 1989 and 189 in 1990.

Out of the aggregate constructed workshed, 4,711 or 92% were occupied; out of them maximum (2,355) were in Bombay and minimum (29) were in Amarawati Division. Occupied sheds in Jalgaon district were 68, which were 38% of the total number of completed sheds.

Some of the sheds are financed by the Banks under Hire purchase agreement. Number of such sheds in the state was 1,336 or 28% in 1989; out of them 44% in Nashik, 28% in Pune, 13% in Aurangabad, 8% in Nagpur, 5% in Bombay and only 2% in Amarawati Division.
Hire purchase finance has assisted number of entrepreneurs to get industrial sheds in CIEs. The District Jalgaon is better placed in this respect since all the occupied sheds (68) are covered under HP finance.

Membership:

The chief characteristic of CIE is that it is a voluntary form of association of entrepreneurs. There is no compulsion on anybody to join a CIE. Membership and withdrawal in a CIE is voluntary. Hence it has provided an incentive for better work and developed initiative among the majority of member entrepreneurs. However, it is observed that CIEs may refuse membership to those whose entry is thought to be detrimental to the interest of the society or sabotage it from inside or impede. This restriction, as per law does not infringe the principle of open membership provided the same is solely on cooperative grounds and not on others which are irrelevant to the purpose of the society.

Open membership in CIE does not mean that anybody can demand it, as of right. It only means that a CIE formed with certain definite objects shall keep its door open for all entrepreneurs who share those objects.
Thus, the CIE has an object of creating infrastructure for facilitating smooth functioning of industrial units and if any entrepreneur agrees to this he may be admitted as member. Further, if the size of CIE is kept fixed for the purpose of viability and facilitating use of limited resources on optimum basis, the restriction of number of members to be admitted is bound to exist. Since CIE has limited area for use, it could not admit excessive number of entrepreneurs as members. This cannot be considered a breach of the principle of open membership.

Thus, there is a restriction to number of members to be admitted. As a result the number of members of CIE in Maharashtra increased slowly from 63 hundreds in 1971 to 285 hundreds in 1990. The average number of members per society is worked out to be 159 for 1990 as against 97 for 1971 (Table No. 4.1).

Table No. 4.3 shows that the total number of individual members of CIEs in 1989 from all over the state was 25,280; out of which maximum (11,456) were from Pune Division CIEs while minimum were from Nagpur Division CIEs.
The individual membership of 14 CIEs in 1989 from the Jalgaon District was to the size of 2,346 in 1989 and 2,396 in 1990. Out of which in the former and latter years SC and ST members were respectively 112 and 93.

The SC and ST members in CIEs from the State were 758 and 266 respectively.

Some industrial Cooperatives are also members of CIEs such members were 276 in the state and 32 in the Jalgaon District.

An experience survey about membership of CIEs, from Jalgaon District brings out the following facts:

: Number of members from SC/ST were few. They were admitted as members because of the compulsion of Cooperative Act.

: Normally, the entrepreneurs of particular caste or religion organize the CIE and they dominate the management.

: The members of CIEs are with some heritage of business or industrial activity.

: The majority number of members having dismal attitude about overall working of CIEs. They
are not ready to sacrifice for others.

The formation of CIE is looked by some members as convenient way to get the loans from the different agencies.

Many members do not have knowledge of cooperative principles.

There is no system of careful selection of members. The Cooperative Department has no such method of control over admission of members.

The members do not find congenial atmosphere for the development of their units.

There are cases of weak communication and co-ordination between the members.

Over-emphasis given on honorary service deprives of members for extending their hands in promoting the objectives of society.

Laisser faire policy of CIE towards the members do not facilitate speedy joint action on any issue. Frequently many matters of
urgent nature do not go beyond the discussion table.

: The lack of clear objectives not accepted by all members do not permit all the members to unite and achieve the aims.

: The managing committee of some CIEs are unable to give generous and exact communications to their members about the matters of their importance. This leads to inbreed the germs of disloyalty. There is no wonder to see the unharmonious relations in many CIEs between Board of Directors/Management and members.

: The members never try to present to the general public a successful image which reflects clear and successful approach.

: In actual practise cooperatives are expected their adherence to the principle of political and religious neutrality, but this has not been done. The membership given to persons by giving regard to politics, creed, race, colour, caste, economic and social status etc.
In the early stage of the cooperative movement a large proportion of cooperative venture in India had no share capital as it was considered contrary to Raiffeisen principles. It was, however, soon realised that such societies failed to attract members and did not achieve substantial progress. The Maclagan Committee was also of the view that the prime object of every cooperative enterprise should be to acquire a permanent capital of its own. The Central Banking Enquiry Committee favoured the encouragement of subscription to share capital by members as a method of collection of savings as compulsory deposits. In 1960 the Committee on cooperative credit laid the greatest emphasis on the system of raising share capital from the members.

CIE enterprise is with this background as pertinent to raising of finance through share capital. This is considered necessary for more than one reason.

The share capital held by an entrepreneur in the CIE is a measure of his interest in its financial stability and soundness. It is found that entrepreneur-

members feel strong attachment to, and take interest in the CIE in which they have invested some of their own money. Secondly it enables the CIE to contribute towards the share capital of the Apex Banks and thus to help strengthening the federal structure. Lastly the collection of share capital from member is a good way of promoting thrift among them.

It is, thus, seen that the share capital contribution by an entrepreneur in CIE is an obligatory. In order to facilitate this obligatory task, the Government provides loans to entrepreneur-members for purchasing the share of the CIE.

Table No. 4.4 shows the information about contribution of share capital of CIEs members from the various revenue divisions of the state and Jalgaon district. The total amount of share capital of members in CIEs from the state as on 30.6.1989 amounted to Rs. 74,886/- hundreds. In the respect of this Pune Division ranked at the Top (Rs. 28,440/- hundreds) and the Nagpur Division ranked at bottom (Rs. 743/- hundreds), while the Jalgaon District was with the share capital amounting Rs. 6,386/- hundreds in 1989 and Rs. 7,008/- in 1990, which reveals comfortable position.
When enquired, the entrepreneur-members of CIEs reported the following facts about share capital contribution:

- Share capital contribution is good on account of its element of compulsory saving.
- Government is liberal in financing the share capital of those who lack in resources.
- Some members feel that the share capital contribution should compulsorily raise at higher level so as to finance infrastructure.
- Share capital contribution should be given weightage while financing the individual business units of the members.
- Members feel that some fixed rate of interest should be given on amount of share capital contributed. This should be in addition to dividend given by society.

Government Participation:

It is worthwhile to note that the significant increase in the amount of share capital of the CIEs in the state is partly due to the participation of the
state in the share capital. The question of state participation in the share capital of the cooperative enterprize was discussed at length by the working group on cooperative policy in 1959. The group was categorical in its opinion that there should be no state participation\(^1\). This recommendation was, however, astonishing in view of the enlarged functions envisaged to be performed by the village cooperative enterprizes. Lateron the state participation was advocated. The Mehta Committee stressed this aspect as under:

"The main reason for state partnership is that the contribution made by Government helps the society in getting larger borrowing power".

Thus, the question of state partnership in CIEs was discussed long back and it was resolved satisfactorily.

In view of the highly unsatisfactory condition of industrialization in the state, it was imperative for the State Government to participate in the share capital of CIEs. The state partnership had created a favourable atmosphere for the entrepreneurs to run the

---

units under the cooperative roof where infrastructure provided by the cooperative management. The state as a partner in CIE has a considerable prestige value which is of greater significance than the small amount contributed by the state. Such participation has inspired confidence among the entrepreneurs and thus, CIE, were able in attracting entrepreneurs savings for share capital contribution. It has also broaden the capital base of CIE and has enabled them to borrow large sums from the lending institutions.

A fear, has, however, been expressed in certain quarters that state partnership would undermine the sense of responsibility and nor individual initiative and that under the garb of partnership there would be too much interference by bureaucratic machinery.

It is seen from the Table No. 4.1 that the Government contribution toward the share capital of CIEs in Maharashtra amounted to Rs. 490/- lakhs or 36% of the aggregate share capital of 1990 as against Rs. 89/- lakhs or 34% of the aggregate share capital of 1971. During the period (1971 to 1990) under review this contribution oscillated around the above range.
The regionwise distribution of Government contribution to share capital of CIEs in Maharashtra and Jalgaon district is seen from the Table No. 4.5.

The table shows that Government has an active share capital participation in CIEs. Out of the total amount of share capital of Rs. 1,25,075/- thousands in 1990, Government contribution has to the extent of 35%. Similar share in the respect of Jalgaon district CIEs was 41% while in the respect of CIE's in Bombay, Nashik, Pune, Aurangabad, Amarawati and Nagpur divisions these shares were respectively 28%; 35%; 36%; 40%; 33% and 25%. Thus, Nagpur division CIEs stood at bottom and Aurangabad at top in the state while securing the Government share capital. Per CIE Government share capital contribution amounted to Rs. 250/- thousands at the state level, while at Bombay, Nashik, Pune, Aurangabad, Amarawati and Nagpur divisions similar contribution amounted respectively to Rs. 107/-, 395/-, Rs. 327/-, Rs. 274/-, Rs. 44/- and Rs. 59/- thousands. As against this, Jalgaon District CIEs enjoyed much by securing Rs. 377/- thousands per CIE contribution.

Entrepreneur-members of CIEs from the Jalgaon district were contacted to know their opinions about
share capital contribution by the Government. The majority of them enlightened the issue as under:

- State partnership has never been conceived as an instrument of state interference. The state apprehension appears to be unfounded and illusory.

- State is expected to take more interest in the development of industries.

- State participation boosts the confidence of entrepreneurs and lending institutions.

- A fear of undermining the responsibility by members under state partnership is futile as entrepreneurs are eager to get profit from their investment and hence they are always careful and behave with responsibility.

- By and large the state Government has not contributed liberally towards the share capital of CIEs. This policy should be changed especially in the favour of talukas which are poorly industrialised.
DIC office should be asked to represent the management meeting of the CIEs, so as to make the proper use of Government finance interlocked by way of share capital.

State participation is a boon to develop underdeveloped economy.

Sources of Finances:

The provision for adequate funds to CIEs is very important matter. Capital is not only essential for the utilization of skill and initiative of the members but it is also needed to use effectively such aids as Government may provide to CIEs.

Broadly speaking credit requirement of CIE are of three types: (i) Long Term, (2) Medium Term, and (3) Short Term.

The first two relate to funds needed for the purchase of land, construction of work sheds or factory or purchase of tools and equipments. Besides, other infrastructure like road, sewerage, electricity, water installation etc. needs long and short term finance.

In short, long and medium term capital required for
acquiring permanent assets and procuring machinery for joint use of members.

Short term capital is required to CIE for meeting working expenses like maintenance, watch and ward services etc.

CIE may get long, medium and short term capital from the following sources:-

(1) Own source i.e. share capital and Reserve
(2) Government
(3) Apex, Central Cooperatives and Urban Banks
(4) Industrial Cooperative Bank
(5) State Bank of India
(6) R.B.I.
(7) State Finance Corporation
(8) Life Insurance Corporation
(9) Commercial Banks.

Loans from Apex, Central and Urban Cooperative Banks:

These Banks have been a source of finance for CIEs in the state. It has, however, been alleged that
these banks have not always shown sufficient sympathy towards or understanding of the problems. These banks were expected to play an important role in the financing of CIEs and rural artisans, but their response has been half hearted. The amount advanced to CIEs in the state by above Cooperative Banks has been less than 5% of their (CIEs) aggregate borrowings.

**Loans from State**

**Bank of India**:

In pursuance of the recommendations of the first working group on Industrial Cooperatives, the SBI decided to finance CIEs working capital requirements provided (i) the concerned cooperative financing agency was unable to provide such financial accommodation, and (ii) the concerned cooperative financing/Registrar of Cooperative Societies/Director of Industries gave consent to the CIE being financed by SBI. The SBI finances CIEs in those areas where cooperative banks are weak.

**Loans from Life**

**Insurance Corporation**:

The LIC offers financial facilities to CIE to the extent of 60 percent of the total cost provided the
State Government guarantees repayment of the total principal-interest.

Loans from MSFC:

Maharashtra State Financial Corporation (MSFC) provides medium and long term assistance to CIEs. These loans are useful to CIE for the construction of infrastructure and installation of common facilities such as repair shop, testing laboratory, etc.

Size of Outstanding Borrowing, and Financing Agencies:

The scales of outstanding borrowings with CIEs as on 30.6.1989 are known from the Table No. 4,6. It is seen that the total amount of borrowings by all the CIEs in Maharashtra was to the size of Rs. 87,531/- thousands with the resultant average of Rs. 500/- thousands per CIE. The size of outstandings with CIEs amounted larger (Rs. 30,834/- thousands) in Bombay Division and smaller (Rs. 742/- thousands) in Nagpur Division. Per CIE outstanding borrowing was the highest of Rs. 776/- thousands in Pune Division and the lowest of Rs. 88/- thousands in Amarawati Division.
CIEs in Jalgaon District had outstanding borrowings amounting Rs. 5,600/- thousands for 1989 and Rs. 9,305/- thousands in 1990 with the resultant average per CIE amounting Rs. 500/- and Rs. 400/- thousands for the respective years.

The outstanding balances of borrowings of CIEs as on 30.6.1989 in favour of various financing agencies are shown in the Table No. 4.7. The table shows that the total outstanding balances of CIEs in the state amounted to Rs. 87,531/- thousands. Of this amount the maximum i.e. 36% was outstanding with LIC while amount outstanding with Government was 7%, with CFA 4%, with SBI 2% and with IFC it was only 0.44%. An amount outstanding with other sources constituted 48% in the total outstandings of CIEs.

The outstanding borrowings in Jalgaon District CIEs as on 30.6.1989 and 30.6.1990 respectively amounted to Rs. 5,600/- and Rs. 9,305/- thousands; of these, in 1989 2% due to CFA, 97% to LIC and 1% to other sources. As against this, in 1990 out of the total amount outstanding, 3% was due to CFA and 97% was due to IFC.
Liabilities of CIE and Working Capital:

The amount of liabilities and working capital of CIE provides information about working size of CIEs functioning in Maharashtra (Table No. 4.8).

The total amount of liabilities of all the CIEs in Maharashtra by the 1989 was to the extent of Rs. 3,91,947/- thousands; out of this the maximum i.e. 43% liabilities were with Pune Division CIEs and minimum i.e. 1% liabilities were with Amravati Division CIEs. Jalgaon District's CIEs had the liabilities amounting Rs. 23,639/- thousands by the year end (1989) and Rs. 29,577/- by the year end 1990.

Total amount of working capital with all the CIEs in Maharashtra by the end of year referred to above (1989) was to the size of Rs. 4,05,075/- thousands; out of this 42% share was with the Pune Division CIEs and only 1% share was with Amravati Division CIEs.

The Jalgaon District CIEs had working capital by the end of similar year to the size of Rs. 24,212/- thousands, while by the end of subsequent year i.e.
1990, they had working capital amounting Rs. 30,469/- thousands.

Table No. 4.9 informs about per CIE working capital and liabilities. It is seen from the Table No. 4.9 that per CIE working capital in 1989 for Maharashtra amounted to Rs. 2,315/- and liabilities amounted to Rs. 2,240/- thousands. The maximum amount of per CIE working capital amounting Rs. 3,330/- thousands and liabilities amounting per CIE Rs. 3,304/- thousands were with Pune Division CIEs, while minimum amount of working capital amounting per CIE Rs. 299/- thousands and liabilities amounting per CIE Rs. 681/- thousands were with Amarawati Division CIEs.

The Jalgaon District was with per CIE working capital amounting Rs. 1,729/- thousands for 1989 and Rs. 2,176/- thousands for 1990; per CIE liabilities for the similar period amounted respectively to Rs. 1,689/- for 1989 and Rs. 2,113/- thousands for 1990.

Total Fixed Assets
(Land, Buildings, Machinery etc.),
Debtors and Overdues:

Table No. 4.10 and 4.11 inform about this for the year end 1989.
It is seen that the total assets of all the CIEs in Maharashtra amounted to Rs. 1,91,141/- thousands. Out of it, the maximum share (44%) was with Bombay Division CIEs while negligible share was with Amarawati Division CIEs.

Per CIE fixed assets in the state amounted to Rs. 1,092/- thousands while similar average for Bombay, Nashik, Pune, Aurangabad, Amarawati and Nagpur Division CIEs respectively amounted to Rs. 1,833/-, Rs. 516/-, Rs. 1,319/-, Rs. 763/-, Rs. 62/- and Rs. 284/- thousands.

Total fixed assets for the Jalgaon District CIEs amounted to Rs. 400/- thousands for 1989 and Rs. 398/- for 1990 with the resultant per CIE average of Rs. 285/- and Rs. 398/- thousands respectively.

When enquired about the fixed assets, the following facts are noticed:

The fixed assets mainly comprise of investment in infrastructure and debtors. Cash in hand is of minor size with all the offices of CIE.
Control over fixed assets of different types is weak. The proper registers providing bio-data of each of the items of assets are not maintained by any CIE from Jalgaon District. Some assets are being used for private purposes.

Maintenance of assets is not properly attended.

The total assets and also different kinds in it are too inadequate to use them effectively.

Movable assets like tools, machinery, vehicle etc. are used at different places without keeping any record.

The procedure of purchasing of new assets in many CIEs is defective, providing opportunities for corruption.

While purchasing some assets, the Government gives subsidies and these subsidies are used by some members for their self.

If CIE is to play effective role, there is a need to establish administrative, accounts and organizational control over assets.
An amount of debtors of all the CIEs in State in 1989 was to the size of Rs. 92,932/- thousands, out of it the maximum share (32%) was with Nashik Division CIEs and minimum share (1%) was with Nagpur Division CIEs. Per CIE amount of debtors in the state was Rs. 531/- thousands, while Bombay, Nashik, Pune, Aurangabad, Amravati and Nagpur Division CIEs the similar average respectively amounted to Rs. 329/-, Rs. 775/-, Rs. 616/-, Rs. 219/-, Rs. 80/- and Rs. 134/- thousands.

Amount of debtors in Jalgaon District CIEs for 1989 was Rs. 14,232/- thousands and for 1990 it was Rs. 18,934/- thousands. The per CIE average was Rs. 1,017/- thousands for former and Rs. 1,352/- thousands for latter year.

The percentage of overdues to debtors was 11.60 for all the CIEs in Maharashtra, while it was 16.28 for Bombay Division CIEs, 21.27 for Nashik, 4.01 for Pune, 4.50 for Aurangabad and it was 19.25 for Nagpur Division CIEs. The similar percentage for Jalgaon District CIEs was 17.64 for 1989 and 12% for 1990.

The debtor management and recovery of overdues in many CIEs found defective. It needs drastic changes.
Statutory Reserve/Other Funds and Deposits:

Each CIE is required to keep certain portion of profit in the form of reserve. Which is to be used for the specified purposes. The total amount of such reserve by 1989 amounted to Rs. 8,918/- thousands for CIEs in Maharashtra; the maximum amount of reserve of Rs. 2,780/- thousands was with Bombay Division CIEs while minimum amount of Rs. 265/- thousands was with Nagpur Division CIEs. Per CIEs reserve amounted to Rs. 50.96 thousands. As respect to Jalgaon District CIEs, the amount of reserve was Rs. 478/- thousands in 1989 and Rs. 492/- thousands in 1990 with respective resultant averages of Rs. 34.14 and Rs. 35.14 thousands per CIE.

The total amount of other funds for all CIEs in the state amounted to Rs. 51,671/- thousands with the resultant average of Rs. 295.26 thousands per CIE. The other funds of Jalgaon District CIEs in 1989 amounted to Rs. 1,433/- thousands and in 1990 to Rs. 2,319/- thousands with respective averages of Rs. 102.36 and Rs. 165.64 thousands per CIE. The same were less than the state average.
Deposits are useful to CIEs for the purpose of financing medium and short term needs. Amount of deposits in 1989 for all the CIEs in the state was Rs. 32,539/- thousands with the resultant average of Rs. 185.94 thousands per CIE. The amount of deposits for Jalgaon district was Rs. 2,692/- thousands in 1989 and Rs. 2,762/- thousands in 1990 and the resultant per CIE averages were Rs. 192.29 and Rs. 193.00 thousands. The same were more than the state average registered for 1989. (Table No. 4.12)

**Working Expenses**:

Table No. 4.13 shows the working expenses of CIEs and the Table No. 4.14 shows the per CIE working expenses.

The total working expenses for all the CIEs in the state amounted to Rs. 25,268/- thousands with the resultant average per CIE amounting to Rs. 144.39 thousands.

The working expenses of Jalgaon district CIEs amounted to Rs. 965/- thousands in 1989 and Rs. 867/- thousands in 1990 with the resultant respective average of Rs. 68.92 and Rs. 61.93 per CIE. Thus the per CIE working expenses in Jalgaon district are less than the state average.
**Profits and Losses:**

Profit is not the aim of CIE. However, after meeting expenses of maintenance from the income it realizes profit. Table No. 4.15 informs about the profit and losses of CIEs in Maharashtra. The table shows that amount of profit increases from Rs. 02/- lakhs in 1971 to Rs. 60/- lakhs in 1990. The number of CIEs in profits during the above years increased from 36 to 110; while the number of CIEs in losses increased from 23 to 46 during the similar period. Rest of the CIEs are with "No Profit or No Loss". An aggregate losses during the above period rose from Rs. 3/- lakhs to Rs. 10/- lakhs. It means that the CIEs in general are functioning well. They do not create huge losses.

As pertains to Jalgaon District in 1989, Ten CIEs were in losses amounting Rs. 1.32 lakhs and 4 CIEs were in profit amounting Rs. 3.29 lakhs.

In the subsequent year i.e. in 1990, eight CIEs were in losses amounting Rs. 0.39 lakhs and six CIEs were in profits amounting Rs. 4.25 lakhs.
Thus, the Jalgaon district experienced the marginal scale of losses in the respect of CIEs and the same situation is no doubt good for industrial economy.

**Salient Features of CIEs**

**Management:**

The management of CIEs is democratic, being based on the principle of one entrepreneur member, one vote. The management is vested in (1) a General body consisting of all members; and (2) the managing committee consisting of 5 to 9 members.

The supreme management of CIEs vests in the general body comprising all the members. This body generally meets once in a year. The following are the matters with the General Body itself must handle:

(i) Election of office bearers and Committee

(ii) Consideration of annual statement of accounts

(iii) Transfer, promotion, purchase, and sale of land in connection with the objective of promotion of industries.

(iv) Disposal of any surplus according to law.
(v) Fixing the limits on outside borrowings.
(vi) Fixing the normal credit for every member.
(vii) Alteration, recession or amendment of the bye laws.
(viii) Fixing the rate of interest on loans and deposits.
(ix) Confirmation of admission of new members.
(x) Considering the audit report.
(xi) Discussing the entrepreneurs' problems for their appropriate solutions.

It is, however, observed from the experience survey that on account of busy schedule of entrepreneurs general body consisting of all the entrepreneurs has not been in a position to influence the overall policies of CIEs. The meagre attendance of entrepreneurs at the Annual General Meeting itself indicates the apathy of the average member to the working of the society. According to information, the attendance in general body meeting of CIEs in Jalgaon district in 1988 ranged between 8% to 35%. In many cases these meeting had to be adjourned in want of quorum.
On account of this it has been also reported that in certain CIEs resolutions are passed without quorum and then minutes circulated to entrepreneurs at the respective worksheds for signature. The deplorably poor attendance at the general meeting demonstrates that the CIEs members are only interested in getting worksheds on hire purchase and loans for running their units. They do not bother about the fate of the society afterwards. This also shows that most of the members do not understand the principles of cooperation. This lack of knowledge and interest about cooperative principles, has led to the belief among the industrial entrepreneurs that a CIE is just a cheaper agency engaged in providing infrastructure, plots of land and finance. It is indeed sad commentary on the working of CIEs even after more than three decades of its existence, in Maharashtra.

The lack of a sense of responsibility on the part of entrepreneurs arise from the fact that the entrepreneur have little stake in the cooperatives when resources come largely from outside. Secondly, the entrepreneurs get only a small portion of needs satisfied through CIE and for the rest he has to look to Government or to bank or to money lenders.
This apathetic attitude of the average entrepreneur member has in many cases encouraged certain vested interest to dominate the working of CIEs. Inspite of all statutory safeguards and other precautions recommended, clever persons infiltrate into those CIEs and enjoy illegitimate benefits from them as the general body of members often fails to maintain vigilence.

Managing Committee:

As it is not possible to summon a general meeting every time, a decision is needed on some day-to-day administration, a management committee is elected with certain well defined powers.

The efficient working of CIE depends to a large extent upon the vigilence of the members of the managing committee and their own example set to others.

An important point concerning the democratic functioning of a CIE relates to holding of elections for the committee of management in regular and fair manner. In some of the CIEs, elections are not held
regularly. Delays in holding elections may be attributable to (i) delays in receipt of audit reports, (ii) delays in preparing statement of accounts; and (iii) delays made intentionally by the committee of management in order to prolong the tenure of existing members. Audit is delayed in many cases because the accounts of the society are not maintained up-to-date and when the auditor goes to the society for taking up audit, he has either to wait till the books are written by the staff of the CIE or he has to write them himself and then take up the audit. The practise of not writing accounts regularly gives scope to the office bearers to suppress malpractises and delay, if not prevent their detection.

**Office Bearer:**

The office bearers of CIE consist of a President a Secretary and Treasure. They are from the entrepreneur members and they have little time to look after the affairs of CIE.

**Supervision:**

Supervision of the working of CIEs implies the security of its affairs from the view point of the Act,
rules and bye-laws. It covers such functions as ensuring the regular maintenance of books and accounts of the society, preparation of loan applications, examination of account books and other registers, rectification of defects pointed out in audit and inspection notes, convening of general meeting, assistance in recovery of dues in time, checking the proper use of loans, etc.

The existing arrangements for supervision both within and outside show considerable lower standard which does not permit a CIE a to play effective role. It is observed that in Jalgaon district, the affairs of CIEs are not properly supervised.

The sound development of the CIE hinges on satisfactory arrangement being made for supervision. It is imperative that there should be sufficient, trained and qualified staff for this important task. The supervisors appointed by the cooperative department should have technical competence, if they at all want to help CIE in the respect of development of infrastructure.
Inspection:

If CIEs are to play effective role, their affairs must be inspected by the Government agencies like cooperative department and DIC Office. It enables the Government agencies to determine whether the auditors and supervisors are discharging their duties satisfactorily. The present arrangement of inspection over CIEs in Jalgaon district by the Government Department are poor in many ways. This function has not received an adequate attention from the Government end. The task of inspection of CIEs may be given to special team consisting of Engineers. The experts in inspection team are useful in directing the business of CIE.

Achievement:

The various achievements and benefits of CIEs in Maharashtra and especially in Jalgaon district may be summarised under the following four heads:

(1) Economic benefits
(2) Social and moral benefits
(3) Educational benefits
(4) Political benefits
Economic Benefits:

The CIEs have been rendering invaluable services for the economic betterment and well-being of the rural and urban population. In certain parts of Maharashtra, especially districts in Pune, Bombay and Nashik divisions the growth of CIEs have brought about unique prosperity to areas around the CIEs. Many of the CIEs are with some surplus and think in terms of re-investment. The employment provided by these CIEs are the source to regenerate the economic activities. Economic linkage effects of CIEs units are too many. These effects have potentialities to start additional number of enterprises. Some of the economic benefits provided by the CIEs may be stated as below:

(i) Convenience:

CIEs are having all the advantages that are enjoyed by any industrial estates. These advantages include facility of training and development, employment opportunities, acceleration to Government economic programmes, facility to modernise, boost to initiative of entrepreneurs, economy in cost of developing plots, suitable infrastructure for smooth functioning of
industrial units etc. In short, industrial units in CIE are conveniently placed to face the problems smoothly.

(ii) **Cheap Credit**:

One of the most important achievements of the CIE movement has been that it is providing cheap credit to the entrepreneurs. Before the advent of these estates or the places where the estates are not established, the entrepreneurs have to pay exorbitant rate of interest on loans from the money lenders. The facilities of loans routed by the Government or financing agencies through CIEs have given a way for the fast development of units in CIEs.

(iii) **Rescuing the Entrepreneurs from the Clutches of Private Lending Agencies**:

Another achievement of CIEs in the state that it has liberated many entrepreneurs from the clutches of the private lending agencies which used to finance against the anticipated production.
(iv) **Better Use of Credit**

One of the most important defects of Indian economy in the respect of private credit is that it is given for unproductive purposes such as marriages, death etc. As contrast to this the CIEs are providing the credit only for productive purposes. This is favourable to the total economy.

(v) **Popularizing Modern Input in the form of Machinery etc.**

The CIEs and units in them are with better financial strength and hence are able to use modern machinery and technical know-how for the production of goods. Thus the CIEs realising the ideal of "Better manufacturing, better business and better living".

(vi) **Better Profit to Entrepreneurs**

As the CIEs provide all the necessary environment and aids to industrial units, the cost of production is bound to be minimum. This consequently fetches better profits to industrious entrepreneurs from CIEs.
(vii) **Development of Rural Entrepreneurship:**

CIEs established in rural areas are increasingly become a wide base for rural industrialization. It has been noticed that wherever CIE has been established, the rural economy gets immediately transformed and immensely strengthened. Some CIEs especially where sugar factories are housed, are increasingly becoming focal points for development of agro-industrial complexes. In Nashik and Pune Divisions of Maharashtra the setting up of CIEs have acted as a nucleus to develop a new class of entrepreneurs. Many talukas from western Maharashtra are adequately developed due to establishment of CIEs. The Jalgaon district is too experiencing the better position in the respect of entrepreneurship development against the background of rural economy.

(viii) **Employment Opportunities:**

CIEs are serving a social objective by safeguarding the interest of the poor section of the society against exploitative trends and are assisting in the diffusion and dispersal of wealth. CIE movement
has proved a protective armour for weaker section of the society i.e. weavers, craftsmen, skilled and unskilled workers, potters, tanners, shoe-makers, carpenters, etc. The CIEs have provided employment to many thousands of people.

(ix) **Encouragement of Thrift and Saving**:

The CIEs are also trying to encourage the habit of thrift and savings among the members. In some CIEs a system of collection of compulsory thrift deposits at 5% of borrowings each year has been practised. Similarly the share capital is also another way of catching the saving of the members.

(x) **Capital Formation**:

CIEs and units in them are source to form a capital for the development of country. Financing institutions assistance and own savings of the entrepreneurs are the sources to form the productive capital.

**Social and Moral Benefits**:

Like any other cooperative society, CIE is the place of moral and social development of members as :-
(1) It is teaching to all the entrepreneurs and to people concern to live harmoniously on a community basis. It also teaches entrepreneurs the lesson of unity, brotherhood and corporate feeling.

(2) Litigation, extravagance, drunkenness and gambling are all at a discount in a good CIE and in their place one will find self help and mutual help.

(3) As cooperation relies on the character of the entrepreneur-members, it fosters a sense of responsibility, integrity and diligence.

(4) CIEs are helping to lesson the social tensions existing in the society. It harmonizes conflicting social and economic interest of many entrepreneurs.

(5) CIE is bringing about socio-economic changes in the society without restoring to undesirable methods and violence.

**Educational Benefits:**

Generally the entrepreneur-members of CIEs are better informed and have a broader outlook. A good
CIE is a continuous source of education for the members. Exchange of technical know-how, tax planning, profit planning, unit expansion, labour welfare and relation, loan procurement, machinery installation and such other areas are discussed collectively by the group of entrepreneurs and solutions are sought. This educates the entrepreneurs without any cost.

Some CIEs provide training facilities to their workers or arrange these facilities with the help of Government agencies.

**Political Benefits:**

(1) CIE is educating entrepreneurs in self-government as the running democratic institution.

(2) The CIE movement is also playing a useful role as a most suitable medium for the democratization of industrial planning.

(3) It encourages local industrial leadership to take up and shoulder task of development of economy.
Since 1969, the focus of cooperative development has been directed to the implementation of 20 Point Programme. CIEs are playing effective role by meeting some objectives of this programme.

The CIEs have made significant contribution in some districts of the state. In these districts i.e. Satara, Sangli, Pune, Kolhapur, Thane, Greater Bombay, Nashik, and Jalgaon the progress of CIEs has been unprecedented in the number, membership and in working capital. But the numerical progress does not always reveal the real state of affairs and closer scrutiny would show that the position of CIEs is far from satisfactory in many districts of Maharashtra.

This is evident from the fact that out of the 14 CIEs in Jalgaon district, 8 CIEs are either dormant or not functioning and simply adorn the records of cooperative department.
The CIE movement was introduced to ameliorate the poor but potential entrepreneurs from rural areas. It was expected to uplift the small entrepreneurs, the small artisans and small man of very limited means. The CIE movement has certainly failed to achieve this objective. A large size of CIEs' finance was availed of by the big and large industrialist. The wealthy and middle class entrepreneurs got the benefit from the CIEs. Many factors responsible for slow progress of CIE. Some of these directly responsible and some of these indirectly responsible for poor and slow performance. The following statement will highlight clearly the issue under consideration:

<table>
<thead>
<tr>
<th>Factors directly responsible for poor performance of CIE</th>
<th>Factors indirectly responsible for poor performance of CIE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The laissez-faire policy</td>
<td>1. Poverty of the state</td>
</tr>
<tr>
<td>2. Movement did not cover</td>
<td>2. Illiteracy of people.</td>
</tr>
<tr>
<td>3. Small size of industrial units.</td>
<td>3. Widespread indebtedness among members</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>4. Lack of business experience with entrepreneur-members.</td>
<td>4. Exploitation of money lenders and middlemen.</td>
</tr>
<tr>
<td>5. Uneconomic unit size.</td>
<td>5. Great price fluctuation.</td>
</tr>
<tr>
<td>6. Inadequate transportation and storage.</td>
<td>6. Generous use of the machinery and paraphernalia of CIE for personal gratification and benefit.</td>
</tr>
<tr>
<td>7. Dearth of Regulated markets for industrial goods.</td>
<td>7. Target hunted hurried expansion.</td>
</tr>
<tr>
<td>10. Dormant CIEs.</td>
<td>10. Fragmentary approach.</td>
</tr>
</tbody>
</table>
14. Domination of vested interest.

14. Participation of money lenders, traders and other middlemen in CIEs for their own self only.

15. Inefficient management.

15. Ineffective supervision and audit.

16. Lack of congenial atmosphere.

16. Non-integration of cooperative credit given to CIE members.

17. Poor marketing facilities.

18. Poor quality of produce.

19. Difficulties in getting raw material.

20. Rise in transportation cost.

At present there are many defects in functioning of CIEs in Jalgaon district. The similar defects are observed in CIEs of other district also. These defects do not permit CIEs to perform their role effectively.
One of broad fact that emerges from the study of CIEs from Jalgaon district that some of them have been organized in far too great a hurry. This was due to state's initiative in inflating the number of CIEs in the various districts. Tempting and rosy promises were made by the political leaders while establishing CIEs at some odd places. The officials have always assured the entrepreneurs that they would be given loans, at concessional interest and subsidies on liberal scale. In actual practise this was not happened. It led to frustration and subsequent disintegration of many entrepreneurs. The concerned authorities seem to have hardly made any attempt to assess the prospects of such societies becoming a viable unit by ensuring beforehand that the society would have adequate as well as dependable membership. For the orderly development, there is a need that the CIE at least should meet the overhead cost from its income. But the officials and leaders promoting CIEs seemed to have conveniently glossed over this fact and CIEs in the state have been opened indiscriminately without ensuring that they would be able to develop their own infrastructure within a reasonable time.
Inadequate Supervision and Inspection:

The development of CIEs has also been hampered due to inadequate supervision and inspection. The Maharashtra Government found it extremely difficult to appoint supervisors for the supervision and inspection. Few CIEs (two from Jalgaon district) have become moribund because of lack of interest and follow-up by the supervisor after registration.

Lack of Prompt Audit of Finance and Performance:

Prompt and thorough audit of CIEs is regarded as imperative for ensuring that they function on sound basis. It is, however, regretted that audit of many CIEs in the state were pending for two or more than two years as on 30th June, 1990. In Jalgaon district in the respect of all the CIEs the audit was pending on the above date.

It seems from the scrutiny over the working of other CIEs in the state, where CIEs had been audited, the utility of audit was lost as the audit objections
were either not attended or auditors themselves practised informal way of taking audit objections. It was found that the audit reports were filed as soon as they received and in many cases, they are not placed before general meeting of the societies. Thus, the audit objections continued to remain uncomplied with year after year.

There is a need to check/audit performance against expenditure incurred. However this has not been done in the respect of any CIE.

**Problem of Raw Material:**

The industrial units in CIEs are labouring under serious handicaps. Despite the fact that many units are agro-based in character, they face difficulties in procuring raw material from the nearby areas. One of the chief difficulties experienced by them is regarding availability of quality raw materials in adequate quantities and at reasonable prices.

The industrial units from CIEs from Jalgaon district are facing the following difficulties with regard to raw materials:
(i) Irregular supply of raw material.

(ii) Inadequate supply of raw material.

(iii) Fluctuations in prices of raw materials.

(iv) Insufficient storage facilities.

(v) Inability to purchase in bulk quantities whenever required.

(vi) Vacillating policy in regard to supply of raw material to the cooperative societies on a preferential basis.

(vii) Acute shortage of key raw material.

(viii) High rate of taxation on the purchase of semi-processed or virgin raw materials.

Problem of Finance:

Non-availability of cheap and adequate loan has been a big hurdle in the progress of these societies. The urban cooperative banks, on account of their poor resources have failed to provide the sorely missing where-withal to these CIEs. The amount advanced by district Central Cooperative Bank for industrial
purposes has been also small. LIC and IFC are providing small amount of finance and their repayment schedule is too rigid to keep smooth functioning of the CIE.

**Problem of Marketing:**

CIEs are organized and many units are established in them. Marketing, for such units has all along been a baffling problem. The problem is not so acute in the case of units located in CIEs near to big town like Jalgaon or Bhusawal. But it is a problem for those units which are housed in CIEs having no big town. The enquiries revealed that difficult marketing position include among others (a) high prices of raw materials, (b) traditional methods and implements of production, (c) inadequate and halting supply of raw materials, (d) employment rather than machine oriented nature of production, (e) absence of proper skills, (f) lack of standardization in quality, (g) seasonal demand, (h) crude salesmanship, (i) competition from organised traders and absence of efficient and organized marketing channels.

The units in CIEs are facing tough competition from the large scale and private small-scale industries.
The results have been that many units from CIEs are compelled to sell their products to private traders for their subsequent sale.

In order to provide marketing facilities to industrial cooperatives, a number of public emporia have been established. Besides, some of the Apex societies have also established sales depots. CIEs and units in them have, however, complained that they were not getting a square deal from these public emporia and sales depots. Their goods did not receive any preference and there was undue and unnecessary delay in payment after the goods were supplied to these emporia.

**Lack of co-ordination between Government Department:**

The working of CIEs and units in them has also been hampered on account of some operational problems such as dual control. For registration, supervision, and audit CIEs depend on the cooperative departments and for raw materials and finance they look to industries department or to the various statutory boards and financing institutions. It has been noticed that there
is hardly much co-ordination and cooperation among these agencies.

**Absence of Loyalty of Entrepreneur-members:**

Many of the CIEs have come to grief or are not working smoothly because the members have not been loyal. It was found that loans advanced in cash to members were not utilized for the purpose stipulated, but were channelized into other purposes. According to by-laws, units in CIE should inform details of production and employment to CIE office. But this is not properly done.

**Official sponsorship of CIEs:**

One of the most important characteristics feature of the CIEs in Maharashtra that many of them are sponsored by the Government. As a result of this members feel convenient in not paying debts of CIEs. It has been alleged that the CIEs have not achieved the desired degree of success due to above element of sponsorship. Only few CIEs in the state have non-
official control. The soul of CIE, as some expert remarked, has been suffocated by the stiffing interference of the officials. These co-operators or experts now do not consider the cooperative department as a "friend, philosopher and guide".

Though the official sponsorship is harmful to some extent, its utility cannot be overlooked while the Government has with aim to develop industry in underdeveloped areas. This task is required to undertake speedily and hence the CIEs in the state cannot be kept free from Government control.

Lack of congenial atmosphere:

A socio-economic CIE movement and movement which has special concern to development of industries cannot succeed unless it finds a congenial atmosphere for its growth. In many of the districts, especially districts from Amarawati and Nagpur socio-economic atmosphere has been hardly conducive for the growth and development of CIEs. Having formed CIEs in these districts, the producers in CIEs are left to face the powerful competition with the enterprises located in industrially developed areas like Poona, Bombay, Nashik, etc. All
these industrial units get support from the commercial banks and wholesale business houses. This is because their nearness to market. Industrial units from CIE need sufficient infrastructure with cheap transport facilities. But the same is not in reach of all the CIEs. Naturally this may lead to dwarf the industrial ventures.

Uninspiring Leadership:

Perhaps one single factor responsible for the poor performance of CIEs in many districts, including Jalgaon is the lack of dedicated leadership. There are very few CIEs like one which is at Kolhapur or at Pune. It is a lamentable yet true fact that the CIE movement has largely failed to attract men of integrity and missionary zeal to catch the imagination of potential entrepreneurs. To get the services of persons who are prepared to dedicate themselves to the cause of this socio-economic movement is real problem in many part of the districts in the state. As one looks round the contemporary scene, one is baffled by the fact that the quality of leadership in the CIE movement is not, broadly speaking, of the same calibre.
Recent Origin:

The bulk of CIEs are of recent origin and are working with inadequate working capital. The newly started units in them are just below the take-off stage. They are yet to make progress.

Outdated Practises:

The management body of CIE has simply continue its attention to providing infrastructure and loans for its members. In addition to that there is a need to make arrangements for transportation, marketing, procuring raw material and training employee of industrial units.

Linking of credit with Marketing of Industrial Goods:

There is a frequent reference to the need for linking of credit given to industrial units from CIE with cooperative marketing or with selling outlets for industrial goods. However, it is difficult to achieve in absence of established outlets and procedure. Moreover the industrial goods are of different varieties used by different types of consumers.
and these consumers are difficult to tap at particular place so as to route the sales proceeds from consumer to lending agency and then to industrialist in CIE.

**Heavy Transport Cost:**

Now-a-days all the units from CIEs have face this problem. On account of increase in fuel prices, there has been tremendous rise in cost of transporting raw material and finished goods. The total economy of industrial units has been hampered due to rise in transport cost.

**Remedies:**

CIEs and industrial units need corrections in their working. If this is done, they can play effective role in the development of the economy. First and most important aspect in such correction is to remove all the foregoing discussed odds and to create suitable ground for the development. The following remedies should be given special attention:

(i) **Need for Revitalization and Re-organization:**

As some CIEs and many industrial units housed in them are weak and unsuitable for the purposes to which
they are formed, the first imperative necessity is to make them strong and viable units. A scheme for re-organization and revitalization should be drawn in each district and more and more emphasis should be laid on consolidation and viability rather than on expansion and target hunting. By concentrated efforts, attempts should be made to revive non-viable units in CIEs. But units which are in a hopeless state of affairs where there no chances of revival should be liquidated by officials who are specially attuned to such tasks. Liquidation should, however, be resorted to only when all avenues for revitalization of the units concerned fail.

(ii) Provision of Raw Materials:

The state Government may take appropriate steps to provide regular supply of raw material and other imported articles to the units in CIE. In matter of allotment of raw materials, some preferential treatment should be given to units which provide employment to the large number of persons by employing small amount of capital. These units should be given material at subsidized prices.
(iii) Improvement in Marketing Facilities:

The State Government should also help the units in CIEs in marketing their products. Transport subsidies may be one of the assistances that the Govt. have to extend while marketing. The state emporia should also be directed to give preferential treatment to these units.

(iv) Provision of Credit Facilities:

Credit and loan facilities should be given at subsidized rates.

(v) Need for single Agency:

CIEs and industrial units in them should be assisted by the only one single agency. This agency should care the industrial units in CIE right from their promotion to their efficient functioning. The tasks like promotion, organization, finance, technical guidance, production, marketing etc. should be taken care by such agency.
(vii) **Establishment of Strong Federation:**

At present there is a state level federation of CIEs. The Head Office of this federation is at Sangli. However, this federation is only a place where some information is collected and few random efforts are made to assist the CIEs. There is a need to make this federation as strong as it can be.

(vii) **State Participation:**

At present the state contributes towards share capital of CIEs. But this is on very small scale. There is a need to increase this participation by financing more and by assisting in various fields of working.

(viii) **Modernization:**

Its importance for industrial units can hardly be exaggerated. This aspect is now considered of most crucial importance for the existence of units in industrial estates. The term "Modernization" includes rationalization of structure, training of workers, research and experimentation and the orientation of the attitude of workers on the one hand and installation of
suitable machinery on the other. It will lead to the lowering of the cost of products as a result of improved efficiency and increased production.

(ix) **Establishment of one or two large scale unit:**

Each CIE should at least have one or two large scale unit employing minimum 1,000 workers. The state Government should give liberal assistance for the establishment of such large unit. This will create suitable industrial environment and will boost the confidence of the other entrepreneurs.

(x) **Ensuring Cooperative Character:**

Efforts should be made to see that the industrial cooperatives i.e. CIEs are not dominated by few individuals for their selfish ends. In order that these societies may be truely cooperative in character. It should confirm to the following principles:

CIE should be controlled and owned by beneficiaries i.e. its share should be held by the work-
owners or worker-entrepreneurs who should also elect its board of management from among themselves. Secondly every entrepreneur member should have an equal voice in the administration irrespective of share holding or size of unit. Thirdly each unit should be financed through CIE.
Table No. 4.1: Progress of Cooperative Industrial Estates (CIEs) in Maharashtra (1971 to 1990)

(Rs. in lakh)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of CIEs</td>
<td>65</td>
<td>96</td>
<td>175</td>
<td>179</td>
</tr>
<tr>
<td>2</td>
<td>Number of CIEs in production</td>
<td>51</td>
<td>87</td>
<td>139</td>
<td>139</td>
</tr>
<tr>
<td>3</td>
<td>Membership ('00)</td>
<td>63</td>
<td>120</td>
<td>256</td>
<td>285</td>
</tr>
<tr>
<td>4</td>
<td>Membership per CIE</td>
<td>97</td>
<td>125</td>
<td>146</td>
<td>159</td>
</tr>
<tr>
<td>5</td>
<td>Share capital</td>
<td>261</td>
<td>611</td>
<td>1251</td>
<td>1360</td>
</tr>
<tr>
<td>6</td>
<td>Average share capital per CIE</td>
<td>4.02</td>
<td>6.37</td>
<td>7.15</td>
<td>7.60</td>
</tr>
<tr>
<td>6a</td>
<td>Of which Govt.</td>
<td>34</td>
<td>31</td>
<td>35</td>
<td>36</td>
</tr>
<tr>
<td>7</td>
<td>% of Govt. contribution in share capital</td>
<td>89</td>
<td>186</td>
<td>438</td>
<td>490</td>
</tr>
<tr>
<td>8</td>
<td>Owned funds</td>
<td>280</td>
<td>881</td>
<td>1857</td>
<td>2100</td>
</tr>
<tr>
<td>9</td>
<td>Average owned fund per CIE ('00)</td>
<td>4.31</td>
<td>9.17</td>
<td>10.61</td>
<td>11.73</td>
</tr>
<tr>
<td>10</td>
<td>Borrowings outstanding</td>
<td>150</td>
<td>422</td>
<td>875</td>
<td>929</td>
</tr>
<tr>
<td>11</td>
<td>Borrowings outstanding per CIE</td>
<td>2.31</td>
<td>4.40</td>
<td>5.00</td>
<td>5.14</td>
</tr>
<tr>
<td>12</td>
<td>Working Capital</td>
<td>572</td>
<td>1965</td>
<td>4051</td>
<td>4250</td>
</tr>
<tr>
<td>13</td>
<td>Working Capital per CIE</td>
<td>8.80</td>
<td>20.47</td>
<td>23.15</td>
<td>23.74</td>
</tr>
<tr>
<td>14</td>
<td>Number of work sheds completed</td>
<td>248</td>
<td>2953</td>
<td>5120</td>
<td>5150</td>
</tr>
</tbody>
</table>

Source: Office of the Commissioner for Cooperatives and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
Table No. 4.2: Number of CIEs in Maharashtra (Division-wise) and in Jalgaon District and worksheds in them (1989).

<table>
<thead>
<tr>
<th>Division/District</th>
<th>No. of CIEs functioning</th>
<th>% of CIEs</th>
<th>No. of worksheds</th>
<th>% of worksheds</th>
<th>Number of worksheds (out of 1336)</th>
<th>% of worksheds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td>46</td>
<td>44</td>
<td>2478</td>
<td>2355</td>
<td>73 (5)</td>
<td></td>
</tr>
<tr>
<td>Nashik Division</td>
<td>38</td>
<td>21</td>
<td>828</td>
<td>622</td>
<td>588 (44)</td>
<td></td>
</tr>
<tr>
<td>Pune Division</td>
<td>51</td>
<td>44</td>
<td>1333</td>
<td>1333</td>
<td>357 (28)</td>
<td></td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>23</td>
<td>20</td>
<td>291</td>
<td>247</td>
<td>176 (13)</td>
<td></td>
</tr>
<tr>
<td>Amravati Division</td>
<td>11</td>
<td>05</td>
<td>61</td>
<td>29</td>
<td>29 (2)</td>
<td></td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>06</td>
<td>05</td>
<td>129</td>
<td>125</td>
<td>113 (8)</td>
<td></td>
</tr>
<tr>
<td>Maharashtra State</td>
<td>175</td>
<td>139</td>
<td>5120</td>
<td>4711</td>
<td>1336 (100)</td>
<td></td>
</tr>
</tbody>
</table>

Jalgaon District

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of CIEs</th>
<th>% of CIEs</th>
<th>No. of Worksheds</th>
<th>% of Worksheds</th>
<th>Worksheds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>14</td>
<td>09</td>
<td>181</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>1990</td>
<td>14</td>
<td>09</td>
<td>189</td>
<td>68</td>
<td>68</td>
</tr>
</tbody>
</table>

Note: Bracketed figures indicate % to total.

Source: Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
<table>
<thead>
<tr>
<th>Division/District</th>
<th>Membership of Col. 3 membership of Societies Individuals</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td></td>
<td>2682</td>
<td>13</td>
<td>2849</td>
<td>182</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>Nashik Division</td>
<td></td>
<td>7412</td>
<td>108</td>
<td>7304</td>
<td>153</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>Pune Division</td>
<td></td>
<td>11578</td>
<td>122</td>
<td>11456</td>
<td>360</td>
<td>01</td>
<td></td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td></td>
<td>2761</td>
<td>16</td>
<td>2745</td>
<td>31</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Amrawati Division</td>
<td></td>
<td>646</td>
<td>07</td>
<td>639</td>
<td>14</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Nagpur Division</td>
<td></td>
<td>297</td>
<td>10</td>
<td>287</td>
<td>18</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Maharashtra State:</td>
<td></td>
<td>25556</td>
<td>276</td>
<td>25280</td>
<td>758</td>
<td>266</td>
<td></td>
</tr>
<tr>
<td>Jalgaon District</td>
<td></td>
<td>1989</td>
<td>2378</td>
<td>32</td>
<td>2346</td>
<td>112</td>
<td>93</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1990</td>
<td>2428</td>
<td>32</td>
<td>2396</td>
<td>112</td>
<td>93</td>
</tr>
</tbody>
</table>

**Source:** Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
Table No. 4.4: Amount of share capital of individuals, industrial cooperatives and of Government in CIEs of Maharashtra (Divisionwise) and of Jalgaon District (1989).

<table>
<thead>
<tr>
<th>Division/District</th>
<th>Amount of Share Capital contribution</th>
<th>Grand Total</th>
</tr>
</thead>
</table>
|                        | By Individuals through duals         | By Individual Duals from Cols. 2 Govt. loans. own source. and 3. Cooperative. | `
|                        | Total of By Individuals Own Source   | By Government Cooperatives. | `
<table>
<thead>
<tr>
<th></th>
<th>Cols. 4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td>312</td>
<td>11671</td>
<td>11983</td>
<td>647</td>
</tr>
<tr>
<td>Nashik Division</td>
<td>2707</td>
<td>21992</td>
<td>24699</td>
<td>2893</td>
</tr>
<tr>
<td>Pune Division</td>
<td>6385</td>
<td>22055</td>
<td>28440</td>
<td>1189</td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>239</td>
<td>7811</td>
<td>8050</td>
<td>1345</td>
</tr>
<tr>
<td>Amrawati Division</td>
<td>215</td>
<td>756</td>
<td>971</td>
<td>07</td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>320</td>
<td>423</td>
<td>743</td>
<td>327</td>
</tr>
<tr>
<td>Total Maharashtra</td>
<td>10178</td>
<td>64708</td>
<td>74886</td>
<td>6408</td>
</tr>
<tr>
<td>Jalgaon District</td>
<td>1989</td>
<td>Nil</td>
<td>6386</td>
<td>6386</td>
</tr>
<tr>
<td></td>
<td>1990</td>
<td>Nil</td>
<td>7008</td>
<td>7008</td>
</tr>
</tbody>
</table>

Source: Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
Table No. 4.5: Government contribution towards share capital of CIEs in Maharashtra (Divisionwise) and in Jalgaon District (1989).

(Rs. '000)

<table>
<thead>
<tr>
<th>Division/District</th>
<th>Number of CIEs</th>
<th>Share Capital</th>
<th>Total Govt. Capital</th>
<th>Contribution in total capital</th>
<th>% of Col. 4 as to Col. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay</td>
<td>46</td>
<td>17540</td>
<td>4910 (381)</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Nashik</td>
<td>38</td>
<td>42609</td>
<td>15017 (1121)</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Pune</td>
<td>51</td>
<td>46324</td>
<td>16695 (908)</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Aurangabad</td>
<td>23</td>
<td>15714</td>
<td>6319 (683)</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Amravati</td>
<td>11</td>
<td>1462</td>
<td>484 (133)</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Nagpur</td>
<td>06</td>
<td>1426</td>
<td>356 (238)</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>175</td>
<td>125075</td>
<td>43781 (715)</td>
<td>35</td>
<td></td>
</tr>
</tbody>
</table>

Jalgaon District

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Share Capital</th>
<th>Total Govt. Capital</th>
<th>% of Col. 4 as to Col. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>14</td>
<td>12924</td>
<td>5272 (923)</td>
<td>41</td>
</tr>
<tr>
<td>1990</td>
<td>14</td>
<td>14169</td>
<td>5895 (1012)</td>
<td>42</td>
</tr>
</tbody>
</table>

Note: Bracketed figures indicate amount of share capital.

Source: Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
<table>
<thead>
<tr>
<th>Division/District</th>
<th>Amount of outstanding borrowings (Rs. in '000)</th>
<th>% to total borrowings outstanding</th>
<th>Per CIE loan outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td>30,834</td>
<td>36</td>
<td>670</td>
</tr>
<tr>
<td>Nashik Division</td>
<td>9,143</td>
<td>10</td>
<td>241</td>
</tr>
<tr>
<td>Pune Division</td>
<td>39,575</td>
<td>45</td>
<td>776</td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>6,266</td>
<td>07</td>
<td>272</td>
</tr>
<tr>
<td>Amravati Division</td>
<td>971</td>
<td>01</td>
<td>88</td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>742</td>
<td>01</td>
<td>124</td>
</tr>
<tr>
<td><strong>Total Maharashtra</strong></td>
<td><strong>87,531</strong></td>
<td><strong>100</strong></td>
<td><strong>500</strong></td>
</tr>
<tr>
<td><strong>Jalgaon District</strong></td>
<td><strong>1989</strong></td>
<td><strong>5,600</strong></td>
<td><strong>400</strong></td>
</tr>
<tr>
<td></td>
<td><strong>1990</strong></td>
<td><strong>9,305</strong></td>
<td><strong>665</strong></td>
</tr>
</tbody>
</table>

**Source:** Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
Table No. 4.7: Amount of outstanding borrowings of CIEs in Maharashtra (Divisionwise) and in Jalgaon District due to various financing Agencies.

<table>
<thead>
<tr>
<th>Division/District</th>
<th>Total</th>
<th>Govt.</th>
<th>CFA</th>
<th>SBI</th>
<th>IFC</th>
<th>LIC</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in '000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bombay Division</td>
<td>30834</td>
<td>3650</td>
<td>-</td>
<td>1272</td>
<td>-</td>
<td>4280</td>
<td>21632</td>
</tr>
<tr>
<td>Nashik Division</td>
<td>9143</td>
<td>-</td>
<td>385</td>
<td>-</td>
<td>392</td>
<td>8319</td>
<td>47</td>
</tr>
<tr>
<td>Pune Division</td>
<td>39575</td>
<td>406</td>
<td>3099</td>
<td>-</td>
<td>-</td>
<td>15520</td>
<td>20550</td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>6266</td>
<td>460</td>
<td>-</td>
<td>751</td>
<td>-</td>
<td>4981</td>
<td>74</td>
</tr>
<tr>
<td>Amravati Division</td>
<td>971</td>
<td>971</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>742</td>
<td>426</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>316</td>
<td>-</td>
</tr>
<tr>
<td>Maharashtra State</td>
<td>87531</td>
<td>(100)</td>
<td>(7%)</td>
<td>(4%)</td>
<td>(2%)</td>
<td>(0.44%)</td>
<td>(36%)</td>
</tr>
</tbody>
</table>

| Jalgaon District        | 1989     | (100) | -    | 135  | -    | 5418 | 47     |
|                         | 1990     | (100) | -    | 243  | -    | 9062 | -      |

Note: Bracketed figures indicate percentage to total.

Source: Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
Table No. 4.8: Amount of Liabilities and working Capital of CIEs in Maharashtra (Divisionwise) and in Jalgaon District (1989).

<table>
<thead>
<tr>
<th>Division/District</th>
<th>Total amount of liabilities (Rs. in '000)</th>
<th>Amount of working capital (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td>1,15,030 (29)</td>
<td>1,25,243 (31)</td>
</tr>
<tr>
<td>Nashik Division</td>
<td>73,577 (19)</td>
<td>73,949 (18)</td>
</tr>
<tr>
<td>Pune Division</td>
<td>1,68,491 (43)</td>
<td>1,69,835 (42)</td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>27,730 (07)</td>
<td>28,402 (07)</td>
</tr>
<tr>
<td>Amarawati Division</td>
<td>3,031 (01)</td>
<td>3,288 (01)</td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>4,088 (01)</td>
<td>4,358 (01)</td>
</tr>
<tr>
<td><strong>Maharashtra State :</strong></td>
<td><strong>3,91,947 (100)</strong></td>
<td><strong>4,05,075 (100)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jalgaon District</th>
<th>1989</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23,639</td>
<td>29,577</td>
</tr>
<tr>
<td></td>
<td>24,212</td>
<td>30,469</td>
</tr>
</tbody>
</table>

**Note:** Bracketed figures indicate percentage to total.

**Source:** Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
Table No. 4.9: Per CIE amount of liabilities and working capital of CIEs in Maharashtra (Divisionwise) and in Jalgaon District (1989).

(Rs. in '000)

<table>
<thead>
<tr>
<th>Division/District</th>
<th>Per CIE Liabilities</th>
<th>Per CIE working capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td>2,501</td>
<td>2,723</td>
</tr>
<tr>
<td>Nashik Division</td>
<td>1,936</td>
<td>1,946</td>
</tr>
<tr>
<td>Pune Division</td>
<td>3,304</td>
<td>3,330</td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>1,206</td>
<td>1,235</td>
</tr>
<tr>
<td>Amravati Division</td>
<td>276</td>
<td>299</td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>681</td>
<td>726</td>
</tr>
<tr>
<td>Maharashtra State :</td>
<td>2,240</td>
<td>2,315</td>
</tr>
</tbody>
</table>

Jalgaon District 1989: 1,689 1,729
Jalgaon District 1990: 2,113 2,176

Source: Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001.
Table No. 4.10: Amount of total assets, debtors and overdues of CIEs in Maharashtra (Divisionwise) and in Jalgaon District (1989).

(Rs. in '000)

<table>
<thead>
<tr>
<th>District/Division</th>
<th>Total Fixed Assets</th>
<th>Debtors</th>
<th>Overdues</th>
<th>Percentage of overdues to debtors.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td>84,338 (44)</td>
<td>15156 (16)</td>
<td>2468</td>
<td>16.28</td>
</tr>
<tr>
<td>Nashik Division</td>
<td>19,606 (10)</td>
<td>29450 (32)</td>
<td>6264</td>
<td>21.27</td>
</tr>
<tr>
<td>Pune Division</td>
<td>67,248 (35)</td>
<td>41603 (45)</td>
<td>1670</td>
<td>04.01</td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>17553 (09)</td>
<td>5041 (05)</td>
<td>227</td>
<td>04.50</td>
</tr>
<tr>
<td>Amravati Division</td>
<td>690 (Neg.)</td>
<td>877 (01)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>1,706 (01)</td>
<td>805 (01)</td>
<td>155</td>
<td>19.25</td>
</tr>
<tr>
<td>Maharashtra State</td>
<td>1,91,141 (100)</td>
<td>92934 (100)</td>
<td>10784</td>
<td>11.60</td>
</tr>
</tbody>
</table>

Note: Bracketed figures indicate percentage to total.

Source: Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001, and Office of the CIEs, Sangli.
Table No. 4.11: Per CIE amount of total fixed assets, debtors and overdues in Maharashtra (Divisionwise) and in Jalgaon District (1989).

<table>
<thead>
<tr>
<th>Division/District</th>
<th>Assets</th>
<th>Debtors</th>
<th>Overdues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td>1,833</td>
<td>329</td>
<td>54</td>
</tr>
<tr>
<td>Nashik Division</td>
<td>516</td>
<td>775</td>
<td>165</td>
</tr>
<tr>
<td>Pune Division</td>
<td>1,319</td>
<td>816</td>
<td>33</td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>763</td>
<td>219</td>
<td>10</td>
</tr>
<tr>
<td>Amravati Division</td>
<td>62</td>
<td>80</td>
<td>-</td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>284</td>
<td>134</td>
<td>26</td>
</tr>
<tr>
<td>Maharashtra State</td>
<td>1,092</td>
<td>531</td>
<td>62</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>District</th>
<th>Assets</th>
<th>Debtors</th>
<th>Overdues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>Jalgaon</td>
<td>285</td>
<td>1,017</td>
<td>179</td>
</tr>
<tr>
<td>1990</td>
<td>Jalgaon</td>
<td>398</td>
<td>1,352</td>
<td>162</td>
</tr>
</tbody>
</table>

Source: Office of the Commissioner for Cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 411 001 and Office of the CIEs, Sangli.
Table No. 4.12: Amount of statutory reserves, other funds and deposits of CIEs in Maharashtra (Divisionwise) and in Jalgaon District (1989).

(Rs. in '000)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>No. of CIEs</th>
<th>Statutory Reserve</th>
<th>Other funds</th>
<th>Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay Division</td>
<td>46</td>
<td>2,780</td>
<td>25,612</td>
<td>27,451 (596.76)</td>
</tr>
<tr>
<td>Nashik Division</td>
<td>38</td>
<td>1,341</td>
<td>7,615</td>
<td>2,755 (72.5)</td>
</tr>
<tr>
<td>Pune Division</td>
<td>51</td>
<td>3,607</td>
<td>17,248</td>
<td>569 (11.55)</td>
</tr>
<tr>
<td>Aurangabad Division</td>
<td>23</td>
<td>915</td>
<td>678</td>
<td>1,163 (50.57)</td>
</tr>
<tr>
<td>Amravati Division</td>
<td>11</td>
<td>10 (00.91)</td>
<td>59 (05.36)</td>
<td>376 (34.18)</td>
</tr>
<tr>
<td>Nagpur Division</td>
<td>06</td>
<td>265</td>
<td>459</td>
<td>205 (34.17)</td>
</tr>
<tr>
<td>Maharashtra State</td>
<td>175</td>
<td>8,918</td>
<td>51,671</td>
<td>32,539 (185.94)</td>
</tr>
<tr>
<td>Jalgaon District</td>
<td>1989</td>
<td>14</td>
<td>478 (34.14)</td>
<td>1,433 (102.36)</td>
</tr>
<tr>
<td></td>
<td>1990</td>
<td>14</td>
<td>492 (35.14)</td>
<td>2,319 (165.64)</td>
</tr>
</tbody>
</table>

Source: Commissioner for cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 1.
Table No. 4.13: Amount of working expenses of CIEs in Maharashtra and in Jalgaon District (1989).

<table>
<thead>
<tr>
<th>Particulars of working expenses</th>
<th>CIEs in Maharashtra</th>
<th>CIEs in Jalgaon District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>5,614</td>
<td>232</td>
</tr>
<tr>
<td>Rent</td>
<td>561</td>
<td>17</td>
</tr>
<tr>
<td>Depreciating</td>
<td>2,329</td>
<td>49</td>
</tr>
<tr>
<td>Wages</td>
<td>800</td>
<td>14</td>
</tr>
<tr>
<td>Other expenses</td>
<td>15,964</td>
<td>653</td>
</tr>
<tr>
<td>Total</td>
<td>25,268</td>
<td>965</td>
</tr>
</tbody>
</table>

Source: = Commissioner for cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 1.
<table>
<thead>
<tr>
<th>Particulars of Expenses.</th>
<th>Per CIE working expenses in Maharashtra 1989</th>
<th>Per CIE working expenses in Jalgaon District 1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>32.08</td>
<td>16.57</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16.36</td>
</tr>
<tr>
<td>Rent</td>
<td>3.21</td>
<td>1.21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.86</td>
</tr>
<tr>
<td>Depreciation</td>
<td>13.31</td>
<td>3.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.36</td>
</tr>
<tr>
<td>Wages</td>
<td>4.57</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.78</td>
</tr>
<tr>
<td>Other expenses</td>
<td>91.22</td>
<td>46.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td>37.57</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>144.39</strong></td>
<td><strong>68.92</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>61.93</strong></td>
</tr>
</tbody>
</table>

*Source:* Commissioner for cooperation and Registrar Cooperative Societies, Maharashtra State, Pune - 1.
Table No. 4.15: Profit and Losses accrued to CIE in the course of their functioning in Maharashtra.

(Rs. in lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Members of Estates in Profits</th>
<th>Profits</th>
<th>Number of Estates in Losses</th>
<th>Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>36</td>
<td>02</td>
<td>23</td>
<td>03</td>
</tr>
<tr>
<td>1981</td>
<td>60</td>
<td>14</td>
<td>27</td>
<td>04</td>
</tr>
<tr>
<td>1989</td>
<td>108</td>
<td>58</td>
<td>45</td>
<td>06</td>
</tr>
<tr>
<td>1990</td>
<td>110</td>
<td>60</td>
<td>46</td>
<td>10</td>
</tr>
</tbody>
</table>

Jalgaon District:

<table>
<thead>
<tr>
<th>Year</th>
<th>Members of Estates in Profits</th>
<th>Profits</th>
<th>Number of Estates in Losses</th>
<th>Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>04</td>
<td>3.29</td>
<td>10</td>
<td>1.32</td>
</tr>
<tr>
<td>1990</td>
<td>06</td>
<td>4.25</td>
<td>08</td>
<td>0.39</td>
</tr>
</tbody>
</table>

Source: Office of the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra State, Pune - 411 011 and Office of CIEs, Sangli.