



PERFORMANCE OF HANDLOOM WEAVERS' CO-OPERATIVE SOCIETIES – A STUDY OF WARANGAL DISTRICT

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ABSTRACT

The Handloom Sector occupies a distinct and unique place in the Indian economy, besides being the largest generator of non-form rural employment. The available statistics indicate that there is still an immense scope for expansion. Handloom Industry is the largest cottage industry in India occupying a prominent place in the economy of the country and scattered over the Indian villages. Nearly one third of the clothing requirement in the country is provided by handloom sector Andhra Pradesh of India has much economic importance and fabrics are being exported to various countries. The principal objective of this paper is to analyze the profile of the sample Primary handloom Cooperative Societies in Andhra Pradesh, with a view to identify their performance of Primary Handloom Cooperative societies in three selected districts of Andhra Pradesh.

KEYWORDS: Handloom, Finance, share capital, cooperatives.

Introduction

The Handloom Sector occupies a distinct and unique place in the Indian economy, besides being the largest generator of non-form rural employment. The available statistics indicate that there is still an immense scope for expansion. Handloom Industry is the largest cottage industry in India occupying a prominent place in the economy of the country and scattered over the Indian villages. Nearly one third of the clothing requirement in the country is provided by handloom sector.¹

On attaining Independence Government of India rightly recognized the important role that the industry can play and a number of policies were formulated and executed to bring the industry on a sound footing. Development of industry on cooperative lines was the cardinal idea in all these plans. Cooperation has the advantage of bringing freedom and opportunity for people with profits of large scale management and organization. Cooperative societies are expected to perform functions of bulk purchase of raw material, raise capital by the issue of shares, procure finished goods from members and market them. In the earlier days, the weavers were organized into purchase and sale societies leading to malpractice of purchasing cloth from others and arranging its disposal through the Apex society. Thus the very purpose of organizing weavers co-operatives for providing work to weavers was defeated as the members of the societies did not receive employment from the societies. At that stage, to ensure the cloth produced for sale by the apex society in its selling units, the “purchase and sale societies” were converted into “Production and sale societies”. These were made obligatory to distribute yarn to the members, get cloth produced on their looms and take it back for sale either in their selling units or in the selling units of apex society.

Handlooms constitute a timeless facet of the rich cultural heritage of India. As an economic activity, the handlooms occupy a place second only to agriculture in providing livelihood to the people. The element of art and craft present in Indian handlooms makes it a potential sector for the upper segments of domestic and global market. However, the sector is facing with many problems such as obsolete technologies, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing link, overall stagnation of production and sales and, above all, competition from power looms and mill sector. As a result of effective Government intervention through financial assistance and implementation of various developmental and welfare schemes, the handloom sector, to some extent, has been able to tide over these disadvantages. The production of handloom fabrics has gone up to 6536 million sq. meters in 2006-07, from 500 million sq. meters in the early fifties. During 2007-08² (upto Oct. 2007), the production of cloth is 4001 mn. sq. mtr. and it is expected to reach 7,074mn. sq.mtr, by March 2008. The sector accounts for 13 per cent of the total cloth produced in the country (excluding clothes made of Wool, silk and hand spun yarn).

2. Objectives of The Study

The main objective of this study is to appraise the profile and general working conditions and assess the problems and performance of the Primary Handloom Weavers Cooperative Societies in Warangal district.

3. Sample Design

The following methodology is adopted to achieve the above objectives. Both primary and secondary data sources of information are used to carry out the present study. The Primary data are collected by interacting with the Board of Directors and member Weavers of various Primary Handloom Cooperative Societies. Proper care was taken to explain to the cooperative societies all the aspects in the schedule to elicit truthful and unexaggerated feedback from them. The samples are drawn in such a way as to reflect the characteristics of the total cooperative societies. The secondary data were collected from 2004-13. The relevant data are collected from the offices of the Development commissioner for Handloom Government of Andhra Pradesh, the Director of Handlooms and Textiles Hyderabad, Assistant Director of Handlooms of Warangal district.

4. Performance of Handloom Weavers' Co-Operative Societies

Warangal District is one of the leading districts in handloom Industry in Telangana Region. There are 45 Weavers' Co-operative Societies in the District at present providing work to 74,905 members. The main products are Sarees, Dhoties, Lungies and Towels. In addition to the above common varieties, export varieties of Shatranjies of Shatranji "Handloom Weavers" Co-operative Society Limited", Mattewada, Warangal, Silk Sarees of Jangaon area and Mercyrized Tie and Die variety Sarees and Mercyrized Dhoties of Ghanpur area are unique and pride products of the District.

In order to ascertain the performance of Warangal District in regard to the performance of Handloom Cotton Weavers' Co-operative Societies in terms of No. of Societies, No. of weaver-members, value of production as well as sales and percentage of sales to production, it is also necessary to know the performance of undivided Andhra Pradesh in this regard. The comparative performance of Warangal District in relation to undivided Andhra Pradesh is also necessary to assess the position of Warangal in Andhra Pradesh.

It can be seen from Table –1 that the trends in the growth of No. of Societies in terms of indices in undivided Andhra Pradesh as well as in Warangal District have shown a slight rise upto 2005-06 and later on a steep fall to 39.32 for undivided Andhra Pradesh and 37.04 for Warangal in 2006-07. In the subsequent period, the trends in regard to this aspect for undivided Andhra Pradesh has varied in a small range of 40.02 for undivided Andhra Pradesh in 2007-08 and 42.03 in 2008-09 and for Warangal, it has remained constant for two years i.e., 2008-09 and 2009-10 at 41.03. The data in regard to production as well as sales has shown a rising trend till 2008-09 for Warangal, where it is higher than that undivided Andhra Pradesh but afterwards the rising trend can be noticed for undivided Andhra Pradesh and falling trend can be seen for Warangal.

TABLE – 1 : TRENDS IN THE PERFORMANCE OF HANDLOOM COTTON WEAVERS' CO-OPERATIVE SOCIETIES IN UNDIVIDED ANDHRA PRADESH AND WARANGAL DISTRICT.

Sl. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
I.	No. of Societies :										
a)	Andhra Pradesh	100.00	102.38	102.53	39.32	40.02	42.03	45.02	46.00	46.02	46.03
b)	Warangal	100.00	103.26	102.71	37.04	36.02	41.03	41.03	44.01	44.01	45.00
II.	No. of Weavers :										
a)	Andhra Pradesh	100.00	70.02	71.03	72.01	69.04	68.01	69.01	62.01	70.04	71.02
b)	Warangal	72.62	73.21	72.52	76.30	74.92	75.51	74.39	76.53	75.71	77.28
III.	Production :										
a)	Andhra Pradesh	100.00	102.10	113.10	121.85	95.89	115.75	217.30	165.82	156.49	161.88
b)	Warangal	56.65	62.10	138.75	153.45	302.71	302.65	135.38	114.99	59.49	37.03
IV.	Sales :										
a)	Andhra Pradesh	100.00	674.55	749.59	824.78	904.32	1096.64	263.92	1107.98	1081.04	1105.24
b)	Warangal	100.00	774.55	1570.76	1237.66	473.28	789.45	827.38	679.96	652.02	651.63

Source : Annexure 3(a) and 3(b)

Note : Figures in the Table are indices and the base year being 2003-04.

During the year 2006-07, the cash credit limits for 22 Societies have been renewed to the extent of Rs. 76.29 lakhs by the DCCB Limited (District Co-operative Central Bank), Warangal. The remaining Societies are not eligible as per the norms laid down by the “NABARD”. The membership in Societies has been increased earlier mainly on account of the share capital assistance provided by Government. But, later on the membership has gone down due to the shortage of material and working capital. Consequently, the Societies are unable to provide employment to all the members of the Society. Out of the total share capital investment sanctioned to HWCS by the Government, 20 per cent of it was availed in Warangal district.

The production of cloth by the Societies in the district has gone down due to the shortage of working capital, raw material and misappropriation of Society’s funds. The production programme given by APCOs to the Societies was never achieved due to the shortage of raw material and working capital, fixed capital per member is less in some of the co-operative Societies when compared to other Societies, which is exclusively for women weavers and managed by women only. This is because of nawar looms which would not require high capital and own building. As such, 60% of Handloom Weavers co-operative Societies are getting net losses and are unable to provide full work to their weavers due to the shortage of raw materials.

70 per cent of the women weavers in the Cotton Handloom Weavers Co-operative Societies are illiterates and 40-50 per cent of the male weavers are also illiterates. The earnings of 80 per cent of the weavers is less than Rs. 200/- per month before joining the Society and on the whole it did not exceed Rs. 600/- per month. As the current assets are more than the fixed assets, the Societies depended more on long term liquidity rather than short term liquidity.

Prior to the implementation of the re-organisation of Weavers Co-operative Societies in the year 1983-84, there were 198 Handloom Weavers Co-operative Societies in the district. After the implementation of the viability programme, 73 Societies were retained as nuclear Societies, with merger of 82 non-viable Societies and 43 Societies were ordered for liquidation. During the year 1992-93 the cash credit limits for 22 Societies had been renewed to the extent of Rs. 76.29 lakhs by the DCCB (District Co-operative Central Bank) limited,

Warangal and the remaining Societies were not eligible as per the norms laid by the “NABARD”. The DCCB, Warangal has initiated action for recovery of the dues from the ineligible weavers Co-operative Societies under the provision of the A.P.C.S. (Undivided Andhra Pradesh Co-operative Societies) Act 7 of 1964. The Handloom and Textiles Department is implementing the following welfare schemes for upliftment of the socio-economic conditions of the poor weavers in the district under the overall supervision of the Commissioner for Handloom and Director of Handloom and Textiles, Andhra Pradesh, Hyderabad.

5. Plan Schemes:

The policy of the State and Central Governments is to bring more number of outside weavers into Co-operative fold. The share capital loan assistance given to the members is fixed at Rs. 270/- for each member. Later, the proposals have been submitted to the Commissionerate for sanction of share capital loan to 212 members to the extent of Rs. 57,510/- sanction orders are awaited.

Under the scheme, contribution from the State and Central Governments on fifty-fifty basis comprising of 2/3 as loan and 1/3 as grant for the purchase of frame looms and appliances. The Government has introduced Marketing Development Assistance Scheme (M.D.A.) in lieu of special rebate scheme. The scheme replaces not only the special rebate but also the share capital contribution. The Weavers’ Co-operative Societies that availed 15 per cent of cash credit will be sanctioned as Marketing Development Assistance (M.D.A.). During the year 1989-90 the Commissioner for handlooms and Director of Handlooms and Textiles, Andhra Pradesh, Hyderabad has sanctioned M.D.A. to 16 Societies to the tune of Rs. 5.40 lakhs only.

To conclude, the Handloom Weavers’ Co-operative Societies have a greater role in the production of cloth in Warangal District. The trend in the growth of number of Weavers’ in Warangal is always lesser than that in Andhra Pradesh. The trend in terms of production as well as sales is found functioning in Warangal whereas it is found rising in Andhra Pradesh. The membership in societies has gone down in Warangal due to the shortage of raw-material and working capital. As the current assets are more than the fixed assets, the Societies depend more on long term liquidity rather than short term liquidity.

The Government has introduced Marketing Development Assistance Scheme (MDA) with effect from 1989 – 90 in lieu of special rebate scheme. The scheme replaces not only the special rebate scheme but also the share capital contribution. The Weaver's Co-operative Societies that availed 15 per cent of cash credit will be sanctioned as Marketing Development Assistance (MDA). During the year 1989 – 90, the Commissioner for Handlooms and Director of Handlooms and Textiles, Andhra Pradesh, Hyderabad has sanctioned M.D.A. to 16 Societies to the tune of Rs. 5.40 Lakhs.

The Revised Method of utilization of M.D.A., sanctioned to the Societies is given below:

- 1) Not exceeding 75 per cent of M.D.A., to be utilized towards discount.
- 2) Not exceeding 10 per cent of Marketing Development Assistance to be utilized towards production bonus to be adjusted to the share capital of the members and to be utilized by the Society concerned to enable to strengthen the equity base to avail more cash credit accommodation under "NABARD" (National Agricultural Bank for Rural Development) refinance scheme.
- 3) Not exceeding 10 per cent of Marketing Development Assistance to be distributed to the weavers based on their wage earnings in the preceding year, through fixed deposits.
- 4) Not exceeding 5 per cent of Marketing Development Assistance for welfare measures (3 per cent Medical + 2 per cent Education) to the weavers.

The scheme of Thrift Fund-cum-Savings and Security Scheme has been introduced to uplift the economic conditions of the weavers. As per the revised norms under this scheme, the weaver members should contribute 8 paise towards Thrift Fund, out of every rupee of wages earned by them. The Government should contribute 7 paise as marketing grant. Both the contribution would be deposited in the Government Treasury. This fund will be regulated for granting advances to the member subscribers recoverable in easy installments, in times of need. Under this scheme, 650 members were enrolled covering 15 Societies. Out of the 15 Societies 4 Societies have discontinued since they have become dormant.

Group Insurance Scheme of weaver-members who have been admitted under Thrift Fund Scheme are also brought under the scheme of Group Savings Linked Insurance Scheme,

with insurance coverage of Rs. 15,000/- The premium amount would be paid by the Department to the Life Insurance Corporation of India. Under this scheme, 5 Societies have enrolled 150 members and action is under process to enroll the weavers of remaining Societies.

The Work Shed-cum-Housing Scheme is one of the important welfare schemes implemented by the department to improve the economic conditions of weaver members. Under this scheme, the weavers actually working for the Co-operative Societies and who are not having houses are sanctioned Work shed-cum-Houses and those who are having permanent houses for living purpose and do not have sufficient accommodation for installation of their looms are sanctioned exclusive work sheds under centrally sponsored Work shed-cum-Housing Scheme.

Under the scheme of Share Capital Investment, the Dormant Weavers' Co-operative Societies will be provided financial assistance to strengthen their economic base and thereby to become eligible for obtaining cash credit accommodation under "NABARD" refinance scheme under revival of dormant Societies to avail and activate the Societies and to provide work to the poor weavers. Proposals of 17 Weavers' Co-operative Societies of the District for Rs. 19.05 lakhs have been submitted to the Commissioner for Handlooms and Textiles.

The District Co-operative Central Bank Limited, Warangal will charge 10 per cent interest on the cash credit accommodation availed by the Weavers' Co-operative Societies under "NABARD" refinance scheme, under which 2.5 per cent interest will be reimbursed by the State Government which is known as "Interest Subsidy Scheme" to the District Co-operative Central Bank Limited, Warangal.

Since most of the weavers are not adequately covered by the Co-operatives, it has been contemplated that these weavers be provided assistance under I.R.D.P. (Integrated Rural Development Programme) scheme through D.R.D.A. (District Rural Development Authority), Warangal.

- 1) Construction of Artisan complexes.
- 2) Supply of improved looms.

The District Rural Development Authority has provided financial assistance of Rs. 6.15 lakhs for 5 Societies and provided assistance of Rs. 7.98 lakhs for manufacture of 266 frame looms during the years 1987-88 and 1988-89.

6. Handloom Weavers Co-operative Society – I :

This has come into existence in 1949 with 1200 weaver members aiming at providing employment to weaver-members, securing financial assistance from Government, acquiring economies of large scale purchase of materials, aspiring export orders and providing improved earnings to the members. Though it has 1200 members, only two of them have taken initiative to mobilize the members and to bring the Society into existence. This is located in Urban area of the selected District. This Society has both production and household plants where the former indicates production at the work shed of the Society while the latter denotes the production at their houses. The household plants emerge in view of the deficiency of sufficient space in the work shed and sometime preferences of the weaver-members to do work in their own houses. This Society produces a variety of carpets. They differ in quality as well as in designs. In addition, it produces bed sheets also. Usually, bed sheets are sold in local market and carpets are sold in International Market. It is heartening to note that the Society has a market for carpets in Japan, England, Sweden and America.

This Society purchases 20 per cent of yarn from the undivided Andhra Pradesh State Handloom Weavers Co-operative Society and remaining from the open-market, of course, within the Society. The Society is of the opinion that the APCO supplies low quality yarn but charges high prices. This Society did not experience any problem with regard to the procurement of raw material. The Society has fixed less wages to the Shatranjis which are meant for local market when compared to the shatranjis which are of exportable variety. Therefore, weaver-members do not show any interest to weave former varieties. Further, they used to purchase yarn from APCO as the organization comes to their rescue in regard to sales. The management of the Society opines that the price charged by APCO is higher than the open market price of yarn. The weaver-members revealed that on an average male weaver member gets Rs. 800/- per month while female weaver member gets only in the range of Rs. 200-300.

Under M.D.A. scheme, the Government has sanctioned Rs. 1.48 Lakhs. Till 1990 – 91, the Society has provided employment to all the Weaver members. Later on, it is able to provide employment only to 100 Weaver members for want of adequate demand particularly for exportable varieties. In spite of these favourable conditions in terms of the availability of raw-material and their storage, finance, and marketing, the membership of the Society has gone down from 1200 in the beginning and later gone upto 490.

TABLE – 2 : COMPARATIVE BALANCE SHEET OF CO-OPERATIVE SOCIETY – I

(Rs. In Lakhs)

Sl. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
I.	Sources of Funds :										
a)	Owned Funds	2.69 (100.00)	3.26 (121.18)	4.11 (152.78)	4.38 (162.82)	5.01 (186.24)	5.65 (210.03)	3.83 (142.37)	3.82 (142.00)	5.20 (193.30)	5.10 (192.56)
b)	Long-Term Loans from Financial Institutions	5.34 (100.00)	658 (123.22)	7.78 (145.69)	1.35 (25.28)	1.42 (26.59)	1.34 (25.09)	1.59 (29.77)	14.21 (266.10)	14.63 (272.97)	14.75 (276.21)
c)	Current Liabilities	4.54 (100.00)	4.06 (89.42)	2.78 (61.23)	17.08 (376.21)	15.37 (338.54)	23.97 (527.97)	12.03 (364.97)	19.19 (422.68)	16.91 (372.46)	12.64 (278.41)
	Total :	12.57	13.90	14.67	22.81	21.80	30.81	31.33	30.07	37.64	36.86
II.	Application of Funds:										
a)	Fixed Assets	1.44 (100.00)	2.00 (138.88)	1.62 (112.50)	1.77 (122.91)	1.79 (124.30)	1.77 (122.91)	1.77 (122.91)	1.91 (132.63)	1.92 (133.33)	1.92 (133.33)
b)	Current Assets	11.12 (100.00)	11.90 (107.01)	13.05 (117.35)	21.04 (189.20)	20.01 (179.94)	28.64 (257.55)	29.56 (265.82)	28.16 (253.23)	35.72 (34.94)	39.94 (314.20)
c)	Profit & Loss Account	0.01 (100.00)	--	--	--	--	0.38 (3800.00)	--	--	--	--
	Total :	12.57	13.90	14.67	22.81	21.80	30.81	31.33	30.07	37.64	36.86

Source : Financial Statements of the Selected Handloom Co-operative Society – I.

Note : Figures in parenthesis denote indices where base year being 2003 – 04.

TABLE – 3 : COMPARATIVE PROFIT & LOSS ACCOUNT OF CO-OPERATIVE SOCIETY - I

(Rs. In Lakhs)

Sl. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
I.	INCOME :										
	Sale of Raw Material	10.11	13.67	16.72	19.77	24.00	39.92	21.67	51.48	51.04	54.84
	Sale of Finished Goods	13.81	19.56	19.96	24.35	24.69	44.00	29.93	70.08	71.73	89.93
	Other Income	0.09	0.10	0.06	0.13	0.35	0.41	0.30	0.73	1.40	1.67
	Total ::	24.01	33.33	36.74	44.25	49.04	84.33	51.90	122.29	123.63	146.44
II.	Expenses										
	a) Raw Materials Consumed										
	Opening Stock	0.68	0.72	1.21	0.81	3.36	1.44	3.18	4.00	2.01	5.87
	Add: Purchases	8.68	13.74	15.68	21.29	21.47	41.22	21.09	48.35	52.74	52.43
	Total ::	9.36	14.46	16.89	22.10	24.83	42.66	24.27	52.35	54.75	58.30
	Less: Closing Stock	0.71	1.20	0.81	0.36	1.44	3.18	4.00	2.01	5.87	8.74
		8.65	13.26	16.08	18.74	23.39	39.48	20.27	50.34	48.88	49.56
	b) Finished Goods Produced										
	Opening Stock	2.41	2.97	2.35	3.98	5.68	9.04	9.09	8.24	12.93	11.63
	Add: Purchases	9.74	13.30	16.32	19.42	23.54	39.67	21.25	53.04	49.58	53.54
		12.15	16.27	18.67	23.40	29.22	48.71	30.34	61.28	62.51	65.17
	Less: Closing Stock	2.96	2.35	3.98	5.68	9.04	9.09	8.24	12.92	11.63	9.88
		9.19	13.92	14.69	17.72	20.18	39.62	22.10	48.36	50.88	55.29
	c) Production Express	4.76	4.74	4.45	6.14	3.27	3.00	6.49	18.32	19.64	34.45
III	Cost of Sales (a+b+c)	22.60	31.92	35.22	42.60	46.84	82.10	48.86	117.02	119.40	139.30
	Gross Profit (I-III)	1.41	1.41	1.52	1.65	2.20	2.23	3.04	5.27	4.23	7.14
	Less: Administrative Express	1.41	1.15	1.29	1.42	1.97	2.61	2.95	4.37	3.44	4.87
IV	Net Profit/Less (I-II)		0.26	0.23	0.23	0.23	-0.38	0.09	0.90	0.79	2.27

Source : Financial Statements of the Selected Handloom Co-operative Society – I.

Note : Figures in parenthesis denote indices where base year being 2003 – 04.

A close examination of Table 2 reveals that the trends in the growth of owned funds has shown an increasing trend till 2009-10 and later on a fluctuating trend. However, the owned funds are maximum at Rs. 5.77 lakhs in 2009-10. The data in regard to long-term loans from financial institutions and current liabilities show a wide fluctuation where former has varied between Rs. 1.34 lakhs in 2009-10 and Rs. 14.75 lakhs in 2012-13; while the latter is ranging between 2.78 lakhs and Rs. 23.97 lakhs. Whenever there is a rise in the amount of long term loans, the amount of current liabilities indicate a fall and vice-versa.

The owned funds were 2.69 Lakhs in 2003 – 04, Long-term loans from financial were 5.34 Lakhs and current liabilities were 4.54 Lakhs totaling to 12.57 Lakhs. Out of the 13.90 Lakhs in 2004 – 05 3.26 were from owned funds, 6.58 Lakhs from Long-term loans and 4.06 Lakhs from current liabilities. Among the 10 years under study, 2011-12 had a maximum of funds. It amounted to 37.64 Lakhs, out of which 5.20 Lakhs were from owned funds, 14.63 lakhs from Long-term loans and 16.91 Lakhs from current liabilities. The next maximum funds retained (36.86 Lakhs) was during 2012 – 13. In this year, 5.10 Lakhs were from owned funds, 14.75 Lakhs from Long-term liabilities and 12.64 Lakhs from current liabilities. A minimum of 12.57 Lakhs was during 2003 – 04. Out of which 2.69 Lakhs was from owned funds, 5.34 Lakhs from Long-term loans and 4.54 Lakhs from current liabilities.

The table 2 shows the application of funds to different activities. 1.44 Lakhs were applied for fixed assets, 11.12 Lakhs for current assets and 0.01 Lakhs for profit and loss account during 2003 – 04 and it has risen upto 2005 – 06 which was 14.67 Lakhs to 22.81 Lakhs during 2006 – 07, and a fall of 1 Lakh in the next year i.e., 21.80 Lakhs which comprises 1.79 lakhs for fixed assets, 11.12 Lakhs for current assets and none for profit & loss account. After that, there was a gradual increase upto 36.86 Lakhs in 2012 – 13.

Table – 3 reveals the comparative profit and loss account of Handloom Weavers Co-operative Society – I. The trends in the sales are showing a rising trend except in 2009-10. Sales are at their maximum level in 2012-13 where the amount of sales is to the tune of Rs. 146.44 lakhs.

It is to be noticed that the gross as well as net profit is positive throughout the 10 year period under study where the former has been varying between Rs. 1.41 lakhs in 2003-04 and 2004-05 and Rs. 7.14 lakhs in 2012-13 where the total income of the Society is at its maximum level. The data in regard to net profit indicates that the society could not earn any

amount of net profit during 2003-04 and could incur loss to the tune of – 0.38 lakhs in 2008-09. However, in the remaining period of 8 years, it could earn positive net profit where it did not exceed Rs. 2.27 lakhs in 2012-13.

7. Profit of Co-operative Society – II :

The declaration of International Women's Year (1975) has given an inspiration to form a Handloom Co-operative Society exclusively for women weavers by women weavers. The Assistant Director of Handlooms and Textiles of the District has taken initiative to bring it into existence. Its main aim has been to provide employment to women weaver members. This is also an urban based Society. The management of the Society identifies and enrolls the members. Though the Society has begun with 50 members, it has been increased to 509 in 1985-86. From 1986-87 onwards the membership was to the tune of 513. However, in 1990-91, it has decreased to 275, while the Society could provide work only to 80 waver members due to lack of raw material and finance.

The Society has 80 Nawar looms and it further requires frame looms to increase the productive capacity of the Society. Usually, APCO supplies yarn and whenever it fails in this regard, the Society purchases yarn from Rajasthan directly. There are no problems to this Society regarding the procurement of raw material from APCO. This Society sells its products to APCO in addition to its counter-sales. It does not have its own premises and building and therefore operating in a rented building.

The discussions with the members have revealed that on an average they earn Rs. 300/- per month. The weaver produces nearly 100 metres of nawar in a day. It has participated in trade fairs and exhibitions through APCO. The financial performance of the Society is illustrated in Table – 4 and Table – 5 in terms of comparative balance sheet and comparative profit/loss account.

TABLE – 4 : COMPARATIVE BALANCE SHEET OF CO-OPERATIVE SOCIETY - II

(Rs. In Lakhs)

Sl. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
I.	Source of Funds										
	Owned Funds	0.82 (100.00)	1.02 (124.39)	1.61 (196.34)	1.69 (220.73)	2.72 (131.70)	1.68 (128.04)	1.05 (128.04)	1.05 (128.04)	1.05 (128.04)	0.99 (120.73)
	Long Term Loans from Financial Institutions	0.96 (100.00)	0.05 (5.20)	0.07 (7.29)	0.17 (17.70)	0.37 (38.54)	1.44 (150.00)	3.04 (316.66)	3.37 (351.04)	3.17 (330.20)	3.23 (336.45)
	Current Liabilities	0.16 (100.00)	2.09 (1306.25)	2.04 (1275.00)	2.21 (1381.25)	4.04 (2525.00)	2.85 (1781.25)	1.60 (1050.00)	2.23 (1393.75)	2.28 (1425.00)	4.25 (2656.25)
	Total	1.94	3.16	3.72	4.07	7.13	5.97	5.77	6.65	6.50	8.47
II.	Application of Funds										
	Fixed Assets	0.81 (100.00)	0.29 (35.80)	0.33 (40.74)	0.35 (43.20)	0.38 (46.91)	0.37 (45.67)	0.31 (38.27)	0.32 (39.50)	0.32 (39.50)	0.32 (39.50)
	Current Assets	1.13 (100.00)	2.87 (253.98)	3.39 (300.00)	3.72 (329.20)	6.75 (597.34)	5.32 (470.79)	5.20 (460.17)	5.97 (528.31)	5.67 (501.76)	5.99 (533.08)
	Profit and Loss Account	-	-	-	-	-	0.28	0.26	0.36	0.51	2.16
	Total	1.94	3.16	3.72	4.07	7.13	5.97	5.77	6.50	8.47	-

Source : Financial Statements of the Selected Handloom Co-operative Society – II.

Note : Figures in parenthesis denote indices where base year being 2003 – 04.

TABLE –5: COMPARATIVE PROFIT & LOSS ACCOUNT OF CO-OPERATIVE SOCIETY - II

(Rs. In Lakhs)

Sl. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
I.	INCOME :										
	Sale of Raw Material	3.73	4.91	5.92	8.71	12.14	14.07	2.68	5.63	4.80	5.84
	Sale of Finished Goods	4.30	5.55	6.72	12.20	13.78	17.11	5.14	6.24	6.40	5.78
	Other Income	0.01	0.03	0.03	0.04	0.06	0.06	0.04	0.01	0.10	0.07
	Total ::	8.04	10.49	12.67	10.95	25.98	31.24	7.86	11.88	11.90	11.69
II.	Expenses										
	a) Raw Materials Consumed										
	Opening Stock	0.00	0.01	0.12	0.04	0.00	0.88	0.44	0.35	0.06	0.00
	Add: Purchases	3.72	5.02	5.71	8.64	12.99	13.53	2.49	5.08	4.59	5.11
	Total ::	3.72	5.03	5.82	8.68	12.99	14.41	2.93	5.43	4.65	5.11
	Less: Closing Stock	0.01	0.13	0.03	0.00	0.87	0.44	0.35	0.06	0.00	0.01
		3.71	4.90	5.82	8.68	12.12	13.97	2.58	5.17	4.65	5.10
	b) Finished Goods Produced										
	Opening Stock	0.42	0.49	0.18	1.10	0.13	0.51	1.46	0.23	0.91	0.10
	Add: Purchases	3.55	4.48	5.65	8.87	11.34	14.36	3.11	5.76	4.65	6.00
		3.97	4.97	5.83	9.97	11.47	14.87	4.57	5.99	5.56	6.10
	Less: Closing Stock	0.49	0.17	1.20	0.13	0.50	1.46	0.24	0.91	0.10	1.49
		3.48	4.86	4.63	4.84	10.97	13.41	4.33	5.08	5.46	5.61
	c) Production Express	0.57	0.64	1.22	1.78	1.81	1.16	0.71	1.04	0.76	1.44
III	Cost of Sales (a+b+c)	7.76	10.34	11.65	20.30	24.54	7.64	11.49	10.87	11.15	10.41
	Gross Profit (I-III)	0.28	0.15	1.02	0.65	1.08	1.72	0.22	0.34	0.63	0.54
	Less: Administrative Express	0.27	0.14	0.68	0.59	0.95	0.89	0.50	0.85	0.99	1.05
IV	Net Profit/Less (I-II)	0.01	0.01	0.14	0.09	0.11	0.71	-0.28	-0.24	-0.36	-0.51

Source : Financial Statements of the Selected Handloom Co-operative Society – II.

Note : Figures in parenthesis denote indices where base year being 2003 – 04.

It can be seen from Table – 4 that the amount of owned funds has increased upto 2007-08 and later on shown a continuous decline. The amount of owned funds did not exceed Rs. 2.72 lakhs in 2007-08. The information in regard to both long term loans from financial institutions and current liabilities has shown a fluctuation trend. Similarly, fixed assets are fluctuating in a narrow range of Rs. 0.29 lakhs in 2004-05 and Rs. 0.01 lakhs in 2003-04. The current assets have increased upto 0.33 in 2005-06 and afterwards they have fluctuated in between Rs. 1.13 lakhs in 2003-04 and Rs. 6.75 lakhs in 2007-08. It is to be noticed that in the beginning year 2003-04, the fixed assets are at their maximum and the current assets are at their minimum.

It can be observed from the Table – 5 that the total income has increased upto 17.11 lakhs in 2008-09 and reached the maximum to Rs. 31.24 lakhs in 2008-09 and then a sudden decline to Rs. 7.86 lakhs in 2009-10. It has shown a fluctuating trend from 2010-11 onwards. Whenever the income started a decline, from then onwards the net profit is negative inspite of positive gross profit during this period. Thus, the amount of gross profit has ranged between 0.15 lakhs 2004-05 and Rs. 1.70 lakhs in 2007-08 while the Society could earn positive net profit only upto 2007-08 and later on it could incur losses.

8. Conclusion:

The earnings of the Wool Weavers are better when compared to the cotton weavers, but less in relation to the earnings of cotton silk weavers. Though Wool Weavers' Co-operative Societies are unable to give full work to the Wool weavers, they are producing kambles with the help of hand spun yarn and they are selling these Kambles to the Society and also in the local markets. The production and sales of Wool Weavers' Co-operative Societies are least when compared to other categories of Societies while it is more in Cotton Societies and same trend has been maintained in regard to average gross profits and net profits. Net profits of Wool Handloom Weavers' co-operative Societies are negative while it is positive in cotton and Cotton-Silk Societies. The cause for this negative net profits are the low productivity, low sales and higher amount of administrative cost.

The women member-weavers are not actively engaged in weaving activity on account of low wages offered by the Societies. They are engaged in beedi manufacturing which undoubtedly provides them better wages. The absence of women member-weavers in the

Society is affecting the post-weaving and pre-weaving operations in the Societies. Factors like natural growth of weaver caste population, low-labour mobility and few employment opportunities for them are the main causes for the continuous supply of labour when compared to the demand for it. In spite of old age and ill-health, the weavers prefer to continue in the same profession, due to the lack of employment opportunities elsewhere.

The average size of the weavers family is 6 members. The large number of dependents in the family has resulted in deterioration of their financial position. Lack of working capital and unemployment forced the individual weavers to take membership in Societies. Due to poor economic conditions, the member weavers are not able to set up a loom for themselves and depending either on Society's looms or on hired looms. The non-studying children and even the school going children of member-weaver assist their parents in weaving, warping, winding and calendaring operations. The number of looms operated in a member-weaver's family has been declining gradually on account of non-providing regular work by societies, payment of poor wages and travelling a long distance on foot in search of work from the Society.

In addition to drink, lack of financial planning and improvidence have been responsible for their high degree of indebtedness. In spite of several programmes undertaken by the Government, due to the lack of repayment capacity, the weavers are not availing even the subsidized loans sanctioned by the government for construction of houses.

Membership drive is undertaken by the Societies mainly to avail of the concessions given by the government. Most of the Societies were registered with bogus membership including non-existent and died persons. Introduction of photo card system resulted in the elimination of bogus membership to some extent and reduced the membership in Societies. The merge of non-viable and viable societies weakened the economic position of the Societies.

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