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AP-III (PROPOSAL)

WOMEN'S INCOME GENERATION COMPONENT

SERICULTURE PROJECT

NAP-AP III

NALGONDA

COMPONENT:

COMMUNITY BASED SUPPORT ACTIVITIES.

PART 4: INCOME GENERATION -
SERICULTURE.

822-INAN91-14100

FARM TO FABRIC PROGRAMME
IN
NALGONDA DIST.
UNDER
NETHERLANDS ASSISTED PROJECT



DEPARTMENT OF SERICULTURE
GOVT. OF ANDHRA PRADESH
HYDERABAD.

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FARM TO FABRIC PROGRAMME

IN

NALGONDA DISTRICT

BACKGROUND

Andhra Pradesh occupies pride of place in respect of the sericulture industry. With an extent of about 1,38,404 acres under mulberry and a production of 28,000 tonnes of cocoons, it is today the second largest producer of silk in the country. Mulberry cultivation and silkworm rearing is taken up in 8,476 villages in the State and is mainly practised in drought affected districts. Sericulture has proved to be a boon to the farming community in general, and to small and marginal farmers in particular. Mulberry is a drought-resistant crop, and is highly labour intensive. In addition, it gives better economic returns when compared with other I.D. crops. A sericulturist earns an amount of Rs. 15,000/- to Rs. 20,000/- per annum from one acre of mulberry.

The various activities in the sericulture industry are:-

1. Mulberry growing and silkworm rearing
2. Silk Reeling
3. Silk yarn twisting
4. Silk cloth weaving

However, all these interlinked activities are scattered through out the State and Country resulting in haphazard flow of raw material.

Nalgonda district in Andhra Pradesh, is one of the drought-affected districts in the State. Many of the people of the district have physical deformities on account of flourosis. A huge programme has been taken up in the district to tackle this problem with the assistance of the Government of Netherlands. While the drinking water problem can be overcome as a result of the implementation of the Netherlands Assisted Project scheme, there is need to improve the economic base of affected persons in the district, in general, and those belong-

ing to the weaker sections of society, who are found to be more vulnerable to this disease, in particular. Sericulture, gives its high economic returns, can suitably rehabilitate the victims of flourosis. This scheme is proposed in order to provide an integrated scheme in the villages identified under Netherlands Assisted Project of the district.

Nalgonda district is a traditional silk-weaving district. Fabrics produced in the district are marketed popularly as Pochampally silks which have made a name for themselves in quality and design. However, these weavers depend on outside sources for their raw material requirements as sufficient silk yarn is not produced within the district. In order to fill in certain vital gaps and for the integrated development of sericulture industry in the district, it is proposed to implement the Farm to Fabric scheme.

II. OBJECTIVES

1. To increase income levels of small and marginal farmers.
2. To provide gainful employment to agriculture labour.
3. To provide adequate raw material of required quality to silk weavers at reasonable prices.

III. METHODOLOGY

The scheme is proposed to be implemented in the cooperative sector as the involvement of beneficiaries can be ensured effectively when they are formed into a cooperative body.

A three-tier structure is envisaged for proper implementation of the scheme as follow:-

- a) Sericulturist Cooperative Societies will be formed with 100 members. As far as possible, the societies will be formed with women beneficiaries as members. In any case, not less than 50% of the beneficiaries will be women. These societies will undertake activities such as selling of disinfectants, fertilizers and other inputs, make available rearing equipment on hire and run chawkie rearing centres for its members. The societies will assist members in obtaining loans for silkworm rearing and help in procuring cocoons on behalf of the District Union/SERIFED. Only small and marginal farmers will be eligible to become members of these societies. The societies will also undertake training and extension programmes to disseminate technical know-how to the members. Totally fifteen sericulture primary cooperative societies are proposed to be organised.
- b) A District-level Sericulture Cooperative Union with the sericulturists cooperative societies and the silk weavers cooperative societies as members will be formed at the district-level. This Union will procure cocoons harvested by members through primaries, establish reeling and twisting units, organise sale of raw silk or twisted silk yarn to the silk weavers in the area. It will also procure silk cloth and market it through the Federation of Sericulturists and Silk Weavers Cooperative Societies Ltd., (SERIFED). Pending organisation of the Union, Serifed will undertake these activities.
- c) At the apex level, Serifed will help the Unions in imparting training to sericulturists in better sericultural practices, provide technical know-how (conduct market research) and undertake marketing of silk cloth procured by the Union. Silk weavers cooperative societies will be organised with women beneficiaries. They will be provided with share capital assistance, house-cum-worksheds, improved looms and training in improved methods of weaving. Design support will also be provided to them.

d) The Department of Sericulture in Andhra Pradesh provides technical support services and makes available technical know-how to sericulturists for the healthy growth of the sericulture industry in the State. The Department will accordingly provide technical extension workers, maintain grainages for supply of CBDFs and assist the primaries in obtaining finances from banks and other financial agencies like D.R.D.A., S.C. Corporation etc. Support services such as the technical service centres and mobile training units will be run by the Department.

IV. PHYSICAL TARGETS

The requirement of twisted silk yarn in the district is 40.70 tonnes per annum for the looms in the organised sector. In order to generate this quality of twisted silk in the district, an extent of 1500 acres is required to be planted with mulberry. At present mulberry is grown in 800 acres. Therefore, an additional 700 acres is to be identified and brought under mulberry cultivation in the district. For these 500 acres, fifteen (15) cooperative societies will be organised. The expected output from 1500 acres of mulberry gardens is 525 tonnes of cocoons.

For the purpose of silk yarn production forty two (42) twin charka units and (4) four 12-basin multi-end reeling units are required. Simultaneously seven (7) 360-spindles twisting units and two (2) 720-spindles twisting units are required to twist the silk yarn into warp and weft.

The Department of Sericulture will establish four (4) technical service centres, one (1) mobile training centre and two (2) grainages of 10 lakhs capacity to service 1500 acres under mulberry.

250 reelers and 275 twisters will be trained for employment in reeling and twisting sector by the Department and Serified.

V. FINANCIAL REQUIREMENTS

The various components of the scheme requiring financial support are as follows:

1. Provision of irrigation sources to the members.
2. Investment costs by individual members for mulberry cultivation and silkworm rearing.
3. Share capital assistance for individuals to enrol as members in the society.
4. Working capital assistance for societies for procurement of inputs and equipment etc.
5. Investment costs on establishment of grainages and maintenance.
6. Investment costs on establishment of Mobile Training Centre.
7. Investment costs on establishment of Technical Service Centres.
8. Training costs for reelers and twisters training programme.
9. Investment costs on establishment of reeling and twisting units.
10. Investment costs on organisation of Women Weavers Cooperative Society.
 - a) Modernisation of looms
 - b) House-cum-worksheds
 - c) Design Development Cell
 - d) Strengthening of share capital
11. Investment cost on designing and implementation of Management Information System.
12. Establishment of Technical and Promotional Cell for Serified.

1. Provision of irrigation sources to the members.

It is proposed to take up 10 clusters, at the rate of 30 acres on an average, comprising of 300 members. Each cluster will have one surface borewell at a cost of Rs. 70,000. The cost for drilling 10 surface borewells is Rs. 7.00 lakhs. From out of the balance 400 beneficiaries, 50% of the beneficiaries i.e. 200, will be provided with loan assistance of Rs. 10,000/- each for deepening of well and purchase of pumpsets. The financial requirement for this purpose comes to Rs. 20.00 lakhs. For 100 beneficiaries, pumpsets will be made available at a unit cost of Rs. 8,000/-. The financial requirement for this purpose is Rs. 8.00 lakhs. In-well borewells will be provided at a unit cost of Rs. 4,500/- for the remaining 100 beneficiaries. An amount of Rs. 4.50 lakhs is required for this purpose. The total requirement thus works out to Rs. 39.50 lakhs.

2. Investment costs by individual members for mulberry cultivation and silkworm rearing.

NABARD's approved unit cost for one acre of mulberry is Rs. 13,300/- (ANNEXURE-I). This assistance is required for 700 farmers who will be taking up mulberry cultivation newly. The financial requirement works out to Rs. 93.10 lakhs.

3. Share capital assistance for individuals to enrol as members in the society.

Each individual has to contribute Rs. 100/- to enrol as a member of the primary society. This rate of membership contribution is necessary because the membership is limited to 100 and the society requires a strong share capital base. As the members belong to weaker sections of the society they may not be in a position to contribute Rs. 100/- at one time. It is proposed to collect Rs. 20/- from each

member and provide Rs. 80/- as loan which the member will repay at the rate of Rs. 20/- per crop. The Department of Sericulture will contribute Rs. 10,000/- per society towards share capital assistance.

4. Working capital assistance for societies for procurement of inputs and equipment etc.

The Societies have to procure inputs and purchase chandrikas and make them available to their members on sale/hire basis. The working details for supply of inputs and chandrikas is worked out in ANNEXURE-2 and 3 respectively. An amount of Rs. 1,16,800/- is required for each society to run a chandrika hiring centre and Rs. 2,07,275/- for supply of inputs. The total requirement of funds for 15 societies is Rs. 48,61,125/-. Each society also requires the services of a Secretary and an Accountant for maintenance of accounts, collection of service charges etc. The Secretary will be paid a salary of Rs. 1,500/- per month and the Accountant a salary of Rs. 1,000/- per month. The annual requirement of funds for this purpose is Rs. 30,000/-

The economics of the primary cooperative society are enclosed in ANNEXURE-4.

5. Investment costs on establishment of grainages and maintenance

In order to make available quality Cross Breed Disease Free Layings (CBDFLs) to the mulberry growers, it is proposed to establish two ten lakh capacity grainages in the cooperative sector as the requirement of CBDFL works out to 15.00 lakhs under the scheme. These grainages will be established through the District Union and will be supported by Departmental staff during the scheme period. After the expiry of the said period, the District Union will take over the complete running of the grainages. The financial requirement for the scheme is Rs. 13.52 lakhs. The economics of the grainage are enclosed at ANNEXURE-5

6. Investment costs on establishment of Mobile Training Centre.

Training plays a crucial role in the successful implementation of the scheme. Regular and constant interaction with technical personnel will benefit the sericulturists in improving their knowledge and awareness of the latest developments in the field. Hence it is proposed to establish a Mobile Farmers' Training Unit to train the office bearers of the society and the sericulturists who are members of the primary societies. This unit will be run by the Department. The working details are at ANNEXURE-6.

The year-wise phasing of the costs are as follows:

Sl. No.	I T E M	I Year	2 Year	3 Year	4 Year	5 Year	6 Year	TOTAL
1.	No. of units	1						
2.	<u>Capital Cost</u>							
a)	Van & Audio-visual equipment	3.44	-	-	-	-	-	3.44
3.	<u>Operating cost</u>							
a)	Staff salaries, TA & Office expenses	1.54	1.54	1.54	1.54	1.54	1.54	9.24
b)	Printing, publicity & propulsion charges.	0.56	0.56	0.56	0.56	0.56	0.56	3.36
	BASE COST	5.54	2.10	2.10	2.10	2.10	2.10	16.04
	CONTINGENCIES (5%)	-	0.105	0.110	0.1105	0.1105	0.1105	0.5465
		5.54	2.205	2.21	2.2105	2.2105	2.2105	16.5865

7. Investment costs on establishment of Technical Service Centres

In order to extend technical guidance at regular intervals by trained staff of the Department of Sericulture, it is proposed to establish four Technical Service Centres in the area. The working details of each Technical Service

Centre is at ANNEXURE-7. The financial requirement works out to Rs. 6,41,880/-. This amount will be met from the budget of the Sericulture Department.

8. Training costs for reelers and twisters training programme

It is proposed to conduct training for 250 reelers and 275 twisters. The period of training for reelers as well as twisters will be six months. Each trainee will be paid a stipend of Rs. 300/- per month during the training period. The institutional charges and working capital requirement for conduct of the training programme are enclosed at ANNEXURE-8.

9. Investment costs on establishment of reeling and twisting units.

The following reeling capacity is proposed to be established for converting the cocoons produced into Silk Yarn.

- | | |
|--------------------------------------|--------|
| a) Twin charka units | 42 nos |
| b) 12-basin multi-end reeling basins | 4 nos. |

The economics of a twin charka unit are enclosed in ANNEXURE-9. The block capital requirement works out to Rs. 2.52 lakhs.

The economics of a 12-basin multi-end reeling basins are enclosed in ANNEXURE-10. The block capital requirement per unit is Rs. 5.00 lakhs. For four units, the requirement is Rs. 20.00 lakhs.

The working capital requirement for a twin charka unit is Rs. 32,300/- and for 12-basin multi-end reeling basin is Rs. 1,99,000/-. Total working capital requirement for the charka and basin units is Rs. 21.526 lakhs.

For establishment of one 360-spindle twisting unit, the block capital requirement is Rs. 2.50 lakhs and for Seven units the requirement is Rs. 17.50 lakhs.

For a 720-spindle twisting unit, the block capital requirement works out to Rs. 5.00 lakhs and for 2 units it is Rs. 10.00 lakhs.

Total working capital requirement for the twisting units is Rs. 1,94,850/- at Rs. 1,15,850/- for seven 360-spindle twisting units and Rs. 79,000/- for two 720-spindle twisting units respectively. The economics of the twisting units are enclosed in ANNEXURE-11 and 12.

10. Investment costs on organisation of Women Weavers Coop. Society.

In order to provide employment opportunities for women, it is proposed to organise 20-silk weavers coop. societies for women with a minimum membership of (40) forty. About 24,000 Kgs of twisted yarn produced in the units will be earmarked for this purpose which would enable supply of raw material to 800 looms. Economics of the weavers cooperative society are enclosed in ANNEXURE-13. The working capital requirement for the weavers societies will be met from the banks. However, the following programmes are proposed to enable societies to produce quality products.

a) Modernisation of looms

In order to improve the quality ^{of} silk fabrics, women cooperative societies will be supplied with 800 modernised looms at a cost of Rs. 4,000/- each. The cost of each loom will be met from N.C.D.C. and Netherlands Assisted Project funds on 60:40 basis. For each loom Rs. 2,400/- is required from N.C.D.C. and Rs. 1,600/- from Netherlands Assisted Project. For 800 looms, the total requirement works out to Rs. 19.20 lakhs from N.C.D.C. and Rs. 12.80 lakhs from Netherlands Assisted Project i.e. Rs. 32.00 lakhs in all.

b) House-cum-Worksheds

To provide proper shelter and good working conditions to the women members of the cooperative societies, house-cum-worksheds will be provided to each of them. The unit cost of each house is Rs. 12,900/- and that of the workshed is Rs. 3,000/-. For each house, Rs. 4,000/- will be given as subsidy from the State Government and Rs. 2,450/- as subsidy from Netherlands Assisted Project. Each beneficiary group has to contribute Rs. 550/- towards share capital and the balance amount of Rs. 5,900/- will be provided as loan from HUDCO. For the workshed part of the scheme, the cost of each shed i.e. Rs. 3,000/- will be met from Government of India, State Government on a 50:50 basis. 800 houses-cum-worksheds are proposed under the scheme. The total cost of the scheme is Rs. 127.20 lakhs. or 13 million Rs.

GOI
800 x 1,500 = 1,200,000

GOAP amt.
800 x 4,000 = 3,200,000
800 x 1,500 = 1,200,000
4,400,000

SON amt.
800 x 2450 = 1,960,000

user amt.
800 x 100 x Rs. 550 = 440,000
800 * HUDCO loan Rs. 51900 = 4,152,000

Total Rs. 12,720,000

Cost houses + sheds
800 x Rs 12,900 (house) = 10,320,000
800 x Rs 3,000 (shed) = 2,400,000
Total = 12,720,000

Note Ch. : when contribution of Rs. 550 per person is added total of 12.7 lakhs. then user amt. is Rs 550 per house, not per person!

c) Design Development cell

The silk fabrics produced by women cooperative societies will be marketed by Serifed. Necessary steps will be taken by Serifed to market these fabrics both in the national and international market. The success of any marketing strategy depends upon the ability to develop designs which keep pace with changing fashions and market demands. To this end, it is essential that a Design Development Cell be created. This Cell in Serifed will ensure continued interaction between the production base and the marketing end. The details of the Cell are as under:

- | | |
|-------------------------------------|-------|
| 1. Designer | Three |
| 2. Marketing Research Officer | One |
| 3. Asst. Marketing Research Officer | One |
| 4. U.D. Steno | One |
| 5. Prototype makers | One |
| 6. Attender | One |

Per house	GOAP	4,000
	SON	2,450
	HUDCO	5,900
	user(s)	550
	<u>total</u>	<u>12,900</u>

To supplement the efforts of this in-house Cell, designer and market experts from Western Europe/USA/Japan will also be taken on consultancy basis. The financial requirements of the Design cell are at TABLE-IV.

TABLE-IV

STATEMENT SHOWING THE FINANCIAL REQUIREMENTS OF THE DESIGN DEVELOPMENT CELL

Sl.No.	Designation	No. of posts	Salary	
			Per month	Per annum
1.	Designer	3	4,000	1,44,000
2.	Market Research Officer	1	3,000	36,000
3.	Asst. Market Research Officer	2	5,000	60,000
4.	U.D. Stone	1	2,000	24,000
5.	Proto type makers	1	2,000	24,000
6.	Attender	1	1,500	18,000
7.	Consultancy fee to foreign experts		-	2,00,000
TOTAL		8	17,500	5,06,000

d) Strengthening of share capital

Each member of the Women cooperative society has to contribute Rs. 500/- towards share capital. However, each beneficiary in order to obtain finance for house-cum-workshed has also to pay Rs. 550/-. Keeping in view the weak financial position of women weavers, it is proposed that 50% of the share capital i.e. Rs. 250/- will be provided to each member as loan from Netherlands Assisted Project funds. This amount will be repaid in 10 monthly instalments at Rs. 25/- per month. For 800 beneficiaries, the amount works out to Rs. 2.00 lakhs.

pb : Rs.100 for members "regular" coops.

11. Investment cost on designing and implementation of Management Information System

The success of any scheme depends on close monitoring of the scheme at regular intervals. For this purpose, it is proposed to computerise the entire data required for monitoring purpose. The proposed field card is at ANNEXURE-14. Further to process the data necessary hardware and software are required. Hardware is proposed at Rs. 1.50 lakhs and Software at Rs. 1.00 lakh.

12. Establishment of Technical and Promotional Cell For Serified.

In order to ensure the success of the scheme, establishment of a Technical-cum-Monitoring Cell is necessary. The proposed Cell will provide technical guidance through extension, inspection and training. The following staff are proposed for the Technical Cell:

1. Extension Officer (1810-70-2510-3230)	1 Post
2. Manager (Silk Reeling) (1330-60-1930-70-2660)	1 post
3. Manager (Marketing) (1330-60-1930-70-2660)	1 Post
4. Mobile Guide (1150-40-1510-2110)	2 Posts

This Cell is responsible for the proper implementation of the scheme and for the technical guidance to the members of the primary societies as well as their office bearers. The responsibilities of the officials of this Cell are as follows:

1. Extension Officer

The post is in the scale of Asst. Director of Sericulture i.e. Rs. 1810-70-2510-80-3230. The responsibilities of the Extension Officer are (i) promoting the organisation of Sericulture Cooperative Societies (ii) providing technical guidance to the

members and member societies (iii) ensuring provision of back-up services (iv) reporting the progress and problems in implementation of the scheme and overseeing the performance of primary societies and unions.

2. Manager (Silk Reeling)

This post is in the cadre of Inspector of Sericulture and will be in the scale of Rs. 1330-2660. He is responsible for efficient functioning of silk reeling units in their respective regions and for providing the required technical guidance. The silk reeling units will work under his supervision. He has to test the skills of reelers trained by the societies after they complete six months training period. He should obtain market intelligence regarding the rates of silk yarn from the Manager, (Marketing) and should provide the information to the societies in the district.

3. Manager (Marketing)

This post is in the cadre of Inspector of Sericulture with the pay scale of Rs. 1330-2660. This officer is responsible for marketing of silk yarn. He is also responsible for marketing of silk cloth procured by the Serified. He will provide marketing intelligence regarding the prices of cocoons and the rates of the silk yarn to the Manager (Silk Reeling) and also to the Serified.

4. Mobile Guide

These posts are in the cadre of Asst. Inspector of Sericulture i.e. Rs. 1150-2100. They will work under the control of the Extension Officer.

The working details of the Technical Cell are in ANNEXURE- 15. The total cost in the first year will be Rs. 4,65,900/-. The scheme will be in operation for six years as the other schemes

are being implemented over a span of five years and one more year is provided for technical guidance and monitoring purpose. After the sixth year the Serified will run this Cell at its own cost.

The yearwise phasing of the scheme is given below:

TABLE-I
TECHNICAL CELL YEARWISE PHASING COSTS

Sl.No.	ITEM	(Rs. in lakhs)						TOTAL
		1 YEAR	2 YEAR	3 YEAR	4 YEAR	5 YEAR	6 YEAR	
1.	Capital Cost	2.35						2.35
2.	<u>Operating cost</u>							
a)	Staff salaries	1.309	1.44	1.584	1.742	1.916	2.108	10.099
b)	TA/Office expenses Rents etc.	1.200	1.32	1.452	1.597	1.757	1.933	9.259
	TOTAL COST Including 10% con- tingencies	4.859	2.76	3.036	3.339	3.673	4.041	21.708

It is proposed to have a Monitoring Cell at Serified, Hyderabad. This cell is responsible for proper maintenance of the Books of Accounts and to oversee the utilisation aspects. The staff required is as follows:

- a) Accounts Officer (One post): This post will be in the pay scale equal to post of Asst. Director of Sericulture (Non Tech). He is responsible for proper maintenance of the books of accounts guidance to societies and unions in maintaining proper books of accounts for timely release of funds and for obtaining utilisation certificates for the funds released. He will report to the Managing Director/General Manager, Serified.
- b) Superintendent (One post): This post will be in the pay scale of Rs. 1330-2600. He will work under the control of Accounts officer and assist him in proper maintenance of the Accounts.

c) Senior Assistant (One post): This post will be in the pay scale of Rs. 1100-2050. He will be attached to the Accounts Officer.

d) Steno-Typist (One post): This post will be in the pay scale of Rs. 810-1425. He will render assistance to the Accounts Officer.

There will be one Driver in the pay scale of Rs. 810-1425 and two Attenders in the pay scale of Rs. 740-1150.

The above posts will be filled-up either on deputation or on a contract basis renewable every year. The working details of the Monitoring cell are at ANNEXURE- 16. The financial requirements works out to Rs. 4.14 lakhs in the first year. This scheme will be implemented for 6 years on the lines of the Technical Cell.

The yearwise phasing of the scheme is given below:

TABLE-II

MONITORING CELL - YEARWISE PHASING OF COSTS

Sl.No.	ITEM	1 YEAR	2 YEAR	3 YEAR	4 YEAR	5 YEAR	6 YEAR	TOTAL
1.	Capital cost	2.70						2.70
2.	<u>Operating cost</u>							
a)	Staff salaries	1.44	1.584	1.742	1.916	2.107	2.318	11.107
	TOTAL COST INCLUDING CONTINGENCIES 10%	4.140	1.584	1.742	1.916	2.107	2.318	13.807

VI. SOURCE OF FINANCE

The source of funding is detailed below:

(Rs. in lakhs)

SCHEMES	SOURCE							TOTAL
	NAP	SCBC Corpn/ Benefi- ciaries	Banks	DRDA	Society funds	NCDC	State Govt/ Dept. of Sericulture	
1. Provision of Irrigation Sources								
a) For drilling of 10 surface bore wells.	7.00	-	-	-	-	-	-	7.00
b) Deepening of well and purchase of pumpsets for 200 beneficiaries	6.66	4.00	9.34	-	-	-	-	20.00
c) Purchase of pumpsets	2.66	1.60	3.74	-	-	-	-	8.00
d) Inwell borewells	1.50	0.90	2.10	-	-	-	-	4.50
2. Silkworm rearing including construction of sheds	-	18.62	46.48	28.00	-	-	-	93.10
3. Strengthening of share capital of primary societies	1.20	-	-	-	1.50	-	1.50	4.20
4. Working capital for the societies for procurement of inputs & equipment	20.25675	-	-	-	-	28.3545	-	48.61125
5. Establishment of Grainage and Maintenance								
a) Equipment	0.062	-	-	-	-	0.558	-	0.62
b) Operating cost and working capital	5.16	-	-	-	-	7.74	-	12.90
6. Establishment of Farmers Mobile Training Centre	16.5865	-	-	-	-	-	-	16.5865
7. Establishment of Technical Service Centre							6.4188	6.4188
8. Conduct of Training for :								
a) Reelers	5.15	-	-	4.50	-	-	-	9.65
b) Twisters	1.90	-	-	4.95	-	-	-	6.85
9. Establishment of Reeling Units								
Block capital for 100 reeling units - 42 Nos	0.252	-	-	2.288	-	-	-	2.54

NAP

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	
Construction of sheds for 12-basin multi-end basin units	8.00	-	-	-	-	-	-	-	-	-	
Land, Plant & Machinery for 12-basin multi end basin unit - 4 Nos.	1.20	-	-	-	10.80	-	-	-	-	1	
Working capital for all units	6.910	-	-	-	12.916	-	-	-	-	2	
Establishment of Twisting units.											
Cost of Land & construction of sheds for 9 twisting units	10.890	-	-	-	-	-	-	-	-	1	
Plant & Machinery	1.6914	-	-	-	15.2228	-	-	-	-	1	
Working capital for all units	0.7794	-	-	-	1.1691	-	-	-	-	-	
Working capital for Weavers Societies	-	-	8.80	-	-	-	-	-	-	-	
Modernisation of looms	12.80	-	-	-	19.20	-	-	-	-	3	
House-cum-workshop for members of women weavers coop. societies	19.60	-	-	-	4.40	44.00	12.00	47.20	-	1	
Design Development and Marketing cell	2.84	-	-	-	1.80	-	-	-	0.42	-	
Strengthening of share capital for women cooperative societies.	2.00	-	-	-	-	-	-	-	-	-	
Management Information systems	2.50	-	-	-	-	-	-	-	-	-	
Establishment of Technical-cum-Monitoring Cell	13.807	-	-	-	21.708	-	-	-	-	-	
Total	152.80	25.12	70.46	39.71	5.99	119.46	51.92	12.00	47.20	0.42	524

The abstract of source of funding is at

= 52,4 million Rs.

VIII. PROJECT BENEFITS

- a) The annual income of 1500 small and marginal farmers will increase to Rs. 20,000/- on average.
- b) 3,750 agriculture labourers get continuous employment in the On-farm sector.
- c) 525 agriculture labour/unemployed persons get continuous employment in the Non-farm sector.
- d) It is expected that on completion of the project period, twisted yarn production will be 40,000 Kgs per annum. This will be made available at reasonable prices to weavers in Nalgonda district who are at present forced to undertake journeys to far-off places like Dharmavaram (400 KMs) and Bangalore (600 KMs). This arrangement will be time and cost saving. Members of the Women Weavers Cooperative Societies will be particularly benefited.

IX. ANNEXURES

The following Annexures are enclosed to this Scheme:

1. Economics of One acre mulberry cultivation.
2. Working details of supply of inputs.
3. Working details for running chandrikas hiring centres.
4. Economics of Sericulturists Coop. Societies.
5. Economics of 10.00 lakh capacity Grainage.
6. Cost estimates of Mobile Farmers Training Unit.
7. Unit cost of Technical Service Centres.
8. Working details for conduct of training to Silk Reelers and Twisters.
9. Cost estimates of two basin Silk Reeling unit.
10. Cost estimates of 12-basin multi-end reeling unit.
11. Cost estimates of twisting unit-360-spindles capacity.
12. Cost estimates of twisting unit-720-spindles capacity.
13. Economics of a Silk Weavers Coop. Society with 40 active looms.
14. Field card
15. Working details of Technical cum Monitoring Cell (Technical Cell)

16. Working details of Technical cum Monitoring Cell
(Monitoring Cell)
17. Means of finance scheme-wise and source-wise
18. Means of finance year-wise and agency-wise
19. Bye laws of Primary Cooperative Societies.

ECONOMICS OF 1 ACRE MULBERRY CULTIVATION

Sl. No.	Item	Amount Rs.
1.	Construction of rearing shed of plinth area of 450 sqft. (30'x15') with thatched roof and mud walls	7,500.00
	Sub-Total	7,500.00
2.	<u>Cost of rearing equipments:</u>	4,000.00
	a) Cost of 4 nos., wooden stands (7'x2½'x7½' size)	
	b) Cost of 100 nos., of round bamboo trays 3½' dia	
	c) 50 chandrikas (5' x 4')	
	d) Other equipment like chopping knife, leaf baskets, wet & dry thermometers etc.,	
	Sub-Total	4,000.00
3.	Cost of cultivation	1,800.00
	Grand Total	13,300.00
A. <u>I. Year:</u>		
	1. Yield of reeling cocoons/100 DFLs.	40 kgs.,
	2. Cost of 1 kg. of reeling cocoons	Rs.60/-
	3. Total yield of 800 DFLs.	320 kgs.,
	4. Cost of 320 kgs., of cocoons	19,200.00
	5. Total investment/acre	13,300.00
	6. Net profit /acre/annum	5,900.00
B. <u>II. Year:</u>		
	1. Yield of reeling cocoons/dfls.100	40 kgs.,
	2. Cost of 1 kg. of reeling cocoons	Rs.60/-
	3. Total yielding of reeling cocoons from 1000 dfls.	400 kgs.,
	4. Cost of 400 kgs., of reeling cocoons @ Rs.60/- per kg.,	Rs. 24,000/-
	5. Total investment/acre/in 2nd year	Rs. 4,300/-
	6. Net profit/acre/in 2nd year	Rs. 19,700/-
C. <u>Net Profit:</u>		
	1. In the first year	Rs. 5,900/-
	2. In the 2nd year	Rs. 20,000/-

WORKING DETAILS FOR SUPPLY OF INPUTSSUPPLY OF INPUTS

	Rs.
A. Capital Cost	- Nil -
B. Operating Cost (Rs. per annum)	
1. Fertilisers @ Rs.800/- per acre for 100 acres	80,000.00
2. Disinfections @ Rs.200/- per acre for 100 acres	20,000.00

	1,00,000.00

3. Labour wages 1 No. @ Rs.15/- per day	5,475.00
4. Rent for the storage building @ Rs.150/- per month for 12 months	1,800.00

Total Operating Cost	1,07,275.00

C. Sales realisation at 5% margin	1,16,890.00
Gross Profit (C-B)	9,615.00
Average loan instalment over a period of 10 years	2,700.00
Average interest @ 12% on working capital over a period of 10 years	1,780.00

Total recovery	4,480.00

Net Profit: Rs.9,615 - Rs.4,480 = Rs.5,135 per crop and for
4 crops -- Rs.20,540/-

FINANCIAL REQUIREMENTS

Working Capital {for 3 months} Rs.27,000

WORKING DETAILS FOR RUNNING CHANDRIKA HIRING CENTRE

<u>A. CAPITAL COST:</u>	Rs.
1. Cost of 1000 Nos., chandrikas @ Rs.60/- each	60,000.00
2. Cost of 10 blow lamps for cleaning chandrikas @ Rs.100/- each	1,000.00

	61,000.00

 <u>B. OPERATING COST (Rs. per annum):</u>	
1. Labour wages 1 No. @ Rs.15/- per day	5,475.00
2. Cost of kerosine and other maintenance charges	3,025.00

	8,500.00
3. Rent for storage building	1,200.00
4. Depreciation charges @ 50% per annum	30,500.00

Total Operating Cost	40,200.00

 <u>C. SALES REALISATION:</u>	
1. Hire charges @ Rs.2/- per chandrika for 35 times (35 x 1000 x 2)	70,000.00
Gross Profit (C-B)	31,700.00
Average loan instalment over a period of 10 years	6,100.00
Average interest @ 12% over a period of 10 years	4,026.00

Total recovery in each year	10,126.00

 Net Profit - Rs.31,700 - Rs.10,126 = Rs.21,574/-	

FINANCIAL REQUIREMENTS

Capital Cost - Rs.61,000/-

Annexure - 4

ECONOMICS OF AGRICULTURISTS COOPERATIVE SOCIETIES

<u>I. Share Capital Requirement:</u>		Rs.
a) from individuals		10,000/-
b) from Govt.,		20,000/-
	Total	<u>20,000/-</u>
<u>II. Maximum Acreage:</u>	- 100 acres	
<u>III. No. of members</u>	- 100	
<u>IV. Receipts from the Activity:</u>		Rs.
a) Hiring charges of chandrikas		19,674/-
b) Supply of inputs		20,540/-
c) Service charges for collection of cocoons from members @ Rs.0.10 per kg.,		52,500/-
	Total	<u>92,714/-</u>
V. Staff salaries i.e., salary of Secretary and Accountant		30,000/-
<u>VI. Other expenses:</u>		
a) Rent of office building @ Rs.500/- p.m.,		6,000/-
b) Electricity charges @ Rs.100/- p.m.,		1,200/-
c) Stationery and other expenses		10,000/-
	Total	<u>17,200/-</u>
VII. Total expenditure (V + VI)		Rs.47,200/-
VIII. Net Income (IV-VII)		Rs.45,514/-

ECONOMICS OF TEN LAKHS GRAINAGE

I. Capital Cost:	Rs.
<u>B. Equipment:</u>	
i) Wood stands 15 @ Rs.200/- each	3,000.00
ii) Bamboo trays 150 @ Rs.15/- each	2,250.00
iii) Conicles 5000 @ Rs.200/ 1000Nos.,	10,000.00
iv) Moth crushing set 20 @ Rs.450/- set	1,000.00
v) Microscope 5 @ Rs.1500/- each	7,500.00
vi) Refrigerator	6,500.00
vii) Wet and Dry bulb thermometer 2 Nos.,	60.00
viii) Miscellaneous utilities	690.00
Sub-Total	31,000.00
II. <u>Operating Cost:</u>	
i) Rent for the building @ Rs.1,000/- month	12,000.00
ii) Labour 2000 man days @ Rs.15/- day	30,000.00
iii) Moth testers/supervisors % @ Rs.20/- day-2Nos.	14,400.00
iv) Cost of chemicals, formalin egg sheets etc.	10,000.00
v) Cost of 40 lakh local race seed cocoons @ Rs.60/1000	2,40,000.00
vi) Cost of 20 lakh biv.seed cocoons @ Rs.60/1000	2,85,000.00
vii) Miscellaneous	4,000.00
Sub-Total	5,95,400.00
III. <u>Working capital Requirement per month:</u>	49,600.00
<u>Means of finance:</u>	
1) Own funds 15%	12,090.00
2) Institutional finances 85%	68,510.00
<u>Gross Income:</u>	
1) Selling layings 10 lakh nos., @ Rs.65/100 dfls.	6,50,000.00
2) Cost of pierced cocoons 1000 kgs. @ Rs.60/kg.,	60,000.00
	7,10,000.00
<u>Net Income:</u>	
1) Total Capital & Operating Cost	6,26,400.00
2) Depreciation on capital cost @ 10%	3,100.00
3) Interest on capital investment	3,875.00
4) Interest on working capital	7,440.00
	6,40,815.00
Net profit	69,185.00

COST ESTIMATES OF MOBILE FARMERS TRAINING UNIT

<u>A. CAPITAL COST:</u>	Rs.
1. Vehicle one van	2,25,000
2. Audio visual equipment	1,19,000

Total	3,44,000

 <u>B. OPERATING COST: (Rs. per annum)</u>	
<u>1. Staff salaries:</u>	
Assistant Director of Sericulture (1810-70-2510-80-3320) (1)	36,000
Assistant Inspector of Sericulture (1150-40-1510-50-2110) (1)	19,300
Farm Foreman (860-25-1110-30-1470) (1)	14,400
Junior Assistant-cum-Typist (910-30-1240-35-1625) (1)	16,200
Attender (740-15-950-20-1250) (1)	12,600
Driver (810-25-1000-30-1420) (1)	13,500

	1,12,000
Other benefits (10%)	11,200

	1,23,200

2. T.A., and Office expenses	15,000
3. Printing, publicity and propulsion charges etc.,	56,000

Total Operating Cost	1,94,200

FINANCIAL REQUIREMENTS

1. Capital Cost	3,44,000
2. Operating Cost	1,94,200

Total	5,38,200

TECHNICAL SERVICE CENTRE: UNIT COST

(Rs. '000)

Sl. No.	Particulars	Amount Rs.	
1. <u>EQUIPMENTS:</u>			
	Microscope	2.00	
	Crushing set - 2 nos.,	0.10	
	Examination table	0.40	
	Long benches - 2 nos.,	0.90	
	Wooden stools - 4 nos.,	0.40	
	Chairs - 4 nos.,	2.00	
	Foot sprayers - 2 nos.,	2.00	
	Steel cabinet - 1 No.	2.20	
		<u>10.00</u>	
	D & Taxes 6%	<u>0.60</u>	10.60
2. <u>VEHICLES:</u>			
	Motor cycle - 1 nos.,	15.00	
	Mopeds - 2 nos.,	12.00	
		<u>27.00</u>	
	D & Taxes 4%	<u>1.08</u>	28.08
	Sub-total		<u>38.58</u>
2. <u>OPERATING COST:</u>			
a)	Staff in numbers	Nos.,	Amount per annum per member
	Asst., Inspector	1	17.00 17.00
	Farm Foreman	2	13.00 26.00
	Operatives	4	11.00 44.00
	Add 10% towards other benefits		<u>8.70</u>
	Sub-total		95.70
b)	Building rent		6.00
c)	Stationery, conveyance & Misc. exp.		18.00
d)	Propulsion charges		1.50
			<u>19.50</u>
	D. & Taxes 3%		<u>0.59</u>
			20.09
	Sub-total		<u>121.79</u>
	Total Cost		<u>160.47</u>

Working Details for conduct of Training in
Silk Reeling & Twisting.

No. of trainees for silk reeling - 250
 No. of trainees for silk twisting - 275
 Period of training - 6 months for both the trades
 Stipend payable per trainee - Rs. 200/- per month.

Financial requirements:

A) Training in Silk Reeling:

i) Stipend	Rs. 4.50 lakhs
ii) Institutional expenses towards working capital	Rs. 6.35 "
iii) Staff cost	Rs. 0.30 "
Total	Rs. 9.65 "

iv) Working details for working capital:

a) Qty., of cocoons required during 1st week	- 3,750 kgs.,
b) Qty., of cocoons required during 2nd week	- 6,750 "
c) Total qty., required	- 10,500 "
d) Cost of cocoons @ Rs. 60/- per kg.,	- Rs. 6.30 lakhs
e) Fuel and other misc., expenditure	- Rs. 0.05 "
Total	- Rs. 6.35 "

(Sales realisation at the end of 2nd week will be rotated towards working capital for effecting purchase of cocoons for ensuing fortnight)

B. Training in Silk Twisting:

i) Stipends	- Rs. 4.95 lakhs
ii) Institutional expenses including working capital	- Rs. 3.25 "
iii) Staff cost	- Rs. 0.30 "
Total	- Rs. 6.85 "

iv) Working details for working capital:

a) Qty., of silk yarn required per day	- 14 kgs.,
b) Qty., of silk yarn required for 30 days	- 420 "
c) Cost of silk yarn @ Rs. 750/- per kg.,	- Rs. 3.15 lakhs
d) Electricity and other misc. charges	- Rs. 0.10 "
Total	- Rs. 3.25 "

(Sales realisation at the of the month will be put into the working capital for ensuing month)

COST ESTIMATES OF TWO BASIN SILK REELING UNIT
(Amount in Rs.)

A. Capital Cost:

1. Labour and water supply in the backyard of charka owners house		
2. Cost of two charkas (10 ends) @ Rs.2,500/- each (As per improved CSR&TL, Mysore Model)		5,000
3. Masonary work for erection of chimney and oven for each charka & other accessories @ Rs.500/-		1,000

Total Capital Cost		6,000

B. Operating Cost (Rs.per annum):

1. Staff - Owner (1)		
2. <u>Labour:</u>		
a) Reelers @ Rs.12.50 per day for 300 days	(2)	7,500
b) Helper @ Rs.8/- per day for 300 days	(2)	4,800
	-----	-----
	4	12,300
	-----	-----
3) Fuel & water		4,500
4) Cost of raw materials - Rated capacity of raw silk @ 2 kg. per day 60 including market fee for 300 days		3,63,600
5) Repairs & Maintenance		200
6) Administrative & Marketing expenses		7,000
7) Depreciation		500
8) Interest on term loan @ 12.5% (25% working capital)		12,000

Total Operating Cost		4,00,100

C. Production (Per Annum):

1. Raw 2 kg., per day for 300 days	600 kgs.,
2. Silk waste	180 "
3. Pupae	600 "

D. Sales Realisation (Per Annum):

1. Raw silk @ Rs.750/- per kg., for 600 kgs.,		4,50,000
2. Silk Waste @ Rs.20/- per kg., for 180 kgs.,		3,600
3. Pupae @ Rs.0.50 per kg., for 600 kgs.,		300

Total		4,53,900

E. Operating Profit (Rs.per annum) (D - B) 53,800

COST ESTIMATES OF 12 BASIN SILK REELING UNIT
(Amount in Rs.)

A. CAPITAL COST:

1) Land (plot in industrial area) 600 sq.m. 1,000

CIVIL WORKS:

2) Buildings for reeling hall, boiler shed - 150 sq.m. 1,20,000

3) Office, storage, effluent tank including civic amenities 80,000

Sub-Total 2,00,000

PLANT & MACHINERY:

4) 12 basin reeling unit with one re-reeling unit 1,25,000

5) Instruments and equipments 10,000

6) Boiler 200 kg./ltr., capacity 1,20,000

7) Water softener 10,000

8) Standby generator 8 kva 30,000

Sub-Total 2,95,000

Total Capital Cost 5,00,000

B. OPERATING COST:

1. Cost of raw material 30,000 kgs., @ Rs.70/- kg. 21,00,000

2. Staff - Manager (1) 10,000

Foreman (1) 8,000

Operator (2) 15,000

5 33,000

Add: 20% towards PF, Bonus and other benefits 6,600

Sub-Total 39,600

2. Labour:

Skilled workers, 2 per basin @ Rs.15/- per day for 300 days (24) 1,08,000

Unskilled labour @ 0.5 person per basin @ Rs.12.50 per day (6) 22,500

30 1,30,000

Add: 20% for incentive & other benefits 26,100

Sub-Total 1,56,600

3. Utilities: - Fuel 10,000

Power 7,000

Consumables 5,000

4. Repairs & Maintenance 16,000

5. Administrative & Marketing expenses 50,700

6. Depreciation 39,500

... 2.

7. Interest on term loan @ 12.5% per annum	50,000
8. Interest on working capital @ 12.5% per annum	24,875

Total Operating Costs 35,11,775

9. PRODUCTION DATA (RS. PER UNIT):

Rs./year/unit	1	2	3	4	5
1. Raw silk production (kg)	2.52	2.70	2.88	3.03	2.88
2. Spinning	11.00	11.00	10.50	10.50	10.00
3. Silk waste (% on raw silk)	30	30	30	30	30
4. Losses (% on cocoon)	22	22	22	22	22

10. Sales Realisation (Rs. per annum) (at full capacity utilisation)

1. Raw silk @ Rs. 875/- per kg.,	25,20,000
2. Silk waste @ Rs. 35/- per kg.,	31,000
3. Sale of pupae	3,000
Total sales realisation	<u>25,54,000</u>

11. Operating Profit (Rs. per annum) (D - E) 47,225

12. Working Capital 1,99,000

1) Repairs & maintenance	5,000
2) Administrative & Marketing expenses	8,600
3) Depreciation	20,000
4) Interest on term loan	24,000
5) Interest on working capital	3,000
Total operating cost	2,45,820

C. PRODUCTION (PER ANNUM): 3,600 kgs., organzine
 3,600 kgs., tram

1. Full capacity utilisation @ 85%
 Efficiency - 10 kgs., per spindle per annum.
2. Capacity utilisation @ 65%, 75% and 35%
 during 1st, 2nd and 3rd year onwards.

D. Sales realisation (per annum)	
1. Organzine 3,600 kgs., @ Rs.60/- kg.,	2,16,000
2. Tram 3,600 kgs., @ Rs.20/- kg.,	72,000
Total sales realisation	2,88,000

E. Operating Profit (per annum)	42,180
F. Working Capital	16,550

COST ESTIMATES OF TWISTING UNIT - 360 SPINDLES CAPACITY

A. CAPITAL COST:		Rs.
1. Land - preferably in Industrial Estate - 500 sq.m.		<u>10,000</u>
<u>Civil Works:</u>		
2. Twisting shed	96 sq.m.	76,800
3. Position walls for office, storage & other civic amenities		15,000
	Sub-total	<u>91,800</u>
<u>Plant & Machinery:</u>		
4. 3 Nos., twisting machine - 120 spindle each @ Rs.13,000/- per machine		45,000
5. 1 No. Winding machine - 60 spindles		8,000
6. 1 No. Doubling machine - 48 spindles		9,000
7. 1 No. Reeling machine - 10 hanks capacity		2,500
8. 1 No. hand warping machine - 72 m. capacity		6,000
9. Spares and accessories		47,700
10. Electrical wiring		5,000
11. Freight, erection, etc.,		10,000
12. Furniture and fixtures		15,000
	Sub-Total	<u>1,48,200</u>
	Total capital cost	<u>2,50,000</u>

B. OPERATING COST: (Rs. per annum)

1. Staff:		
Supervisor	1	10,000
Shift foreman	1	8,000
Asst., Technician	2	11,000
Attendant	2	9,600

	6	38,600
Add: 20% towards PF, Gratuity and other benefits		7,720
	Sub-Total	<u>46,320</u>
2. Labour for 300 days:		
Twisters, winders,	11 20'	67,500
Doubler @ Rs.15/- day	11	
Warper @ Rs.20/- pday	2	12,000
Helper @ Rs.12.50 day	3	11,250

	25	90,750

Add: 20% for incentives & other benefits		18,150
	Sub-Total	<u>1,08,900</u>
3. Power & light		
		24,600

Annexure - 12

COST ESTIMATES OF TWISTING UNIT: 720 SPINDLES CAPACITY
(amount in Rs.)

A. CAPITAL COST:

1. Land - preferably in Industrial Estate	10,000
2. Compound wall/barbed wire fencing	20,000
<u>Civil Works:</u>	
3. Twisting shed 160 sq.m.	1,28,000
4. Office, storage & other civic amenities	15,000
Sub-Total	1,73,000

Plant & Machinery:

5. 6 Nos., twisting machines - 120 spindles each @ Rs.15,000/-	90,000
6. 2 Nos., Winding machine - 60 spindles	16,000
7. 2 Nos., Doubling machine	18,000
8. 2 Nos., reeling machines - 10 ends	5,000
9. 2 Nos., Hand warping machine	12,000
10. Accessories like spindles motor with starters, fibre bobbins, aluminium cups	1,28,500
11. Steaming chamber	12,000
12. Erection, installation & freight inwards	18,000
13. General electrical installation	7,500
14. Furniture and fixtures	20,000
Sub-Total	3,27,000
Total Capital Cost	5,00,000

B. OPERATING COST: (Rs. per annum)

1. Staff:

Manager	1	10,000
Shift Supervisor	3	24,000
Assistants	9	72,000
Attendant	1	4,800
	14	1,00,800
Add: 20% towards PF, Gratuity and other benefits		20,160
Sub-Total		1,20,960

2) Labour:

Twisters, Winders, Doublers, @ Rs.15/- per day for 300 days	40	1,80,000
Warper @ Rs.20/- day for 300 days	4	24,000
Unskilled labour @ Rs.12.50/day for 300 days	6	22,500
	50	2,26,500
Add: 20% for incentives & other benefits		45,300
Sub-Total		2,71,800

	Rs.
3. Power	50,000
4. Consumables	3,600
5. Repairs & maintenance	9,400
6. Administrative & Marketing expenses	18,400
7. Depreciation	40,000
8. Interest on term loan	46,900
9. Interest on working capital	3,000

Total operating Cost	5,74,060

C. PRODUCTION (PER ANNUM):

1. Full capacity utilisation @ 85% efficiency - 10 kgs., per spindle per annum.	7,200 kgs., organ-	zine
	7,200 kgs., tram	
2. Capacity utilisation @ 65%, 75% and 85% during 1st, 2nd and 3rd year onwards		
3. Waste 1%		
D. Sales realisation (per annum)		Rs.
a) Organzine 7200 kgs., @ Rs.60/kg.		4,32,000
b) Tram 7200 kgs., @ Rs.20/kg.		1,44,000
c) Sale of waste 720 kgs., @ Rs.50/kg.		36,000

		6,12,000

E. Operating Profit (Rs.per annum)		48,600
F. Working Capital		39,500

ECONOMICS OF A SILK WEAVERS COOP. SOCIETY WITH 40 ACTIVE LOOMS

The base is taken that a silk weaver will weave one metre per day (silk sarees which costs Rs.50/- per metre.

1. Estimated annual production (300 days: Rs.50 x 1 x 300)		Rs.15,000/-
2. Estimated Annual production for 40 looms.		Rs.0.15 lakh x 40
	=	Rs.6,00,000
3. Less profit at 12% $6,00,000 \times \frac{12}{100}$	=	Rs. 72,000
4. Cost price of cloth		Rs.6,00,000
	(-)	Rs. 72,000
		Rs.5,28,000
5. Working capital requirement per month.		<u>Rs.5,28,000</u> 12
	=	Rs.44,000/-
6. ESTIMATED EXPENDITURE:		
i) Rents @ Rs.200/- per month		Rs. 2,400/-
ii) Salaries paid @ Rs.500/- p.m.,		Rs. 6,000/-
iii) Packing assistant @ Rs.250/- p.m.		Rs. 3,000/-
iv) Contingencies		Rs. 3,000/-
v) Interest on the borrowing of Rs.5,28,000/-		Rs.31,680/-
vi) Interest on the loan to be obtained from NABARD/SC.Corpn., reorganisation of looms (2400 x 2/3) = 1600 x 40 = 64000 x 3/100		Rs. 5,760/-
vii) Interest on the margin money of Rs.52,800 @ 6% to be borrowed		Rs. 3,432/-
		Rs.52,272/- or 52,300/-
Net profit		Rs.72,000 - 52,300
	=	Rs.19,700
7. Reserves - 50% of Rs.19,700/-		Rs. 9,850/-
8. Balance available to be distributed among members.		Rs. 9,850/-
9. Share capital requirements:		
i) Required (1:10)		Rs.52,800/-
ii) To be collected from the members @ Rs.50/- each		(-)Rs. 2,000/-
		Rs.50,800/-
iii) Govt., share capital to be invested.		Rs.52,800/-
iv) 10% margin money on the working capital of Rs.5,28,000/-		52,800/-
		Rs. 52,800/-
10. Payment of dividend in the Govt., share capital of Rs.52,800/- @ 5%		Rs. 2,640/-
11. Net amount available to the members		Rs. 9,850/-
		2,640/-
		Rs. 7,210/-

Annexure-15

WORKING DETAILS OF RUNNING A TECHNICAL-CUM-MONITORING CELL

A. Technical Cell

A. CAPITAL COST:		Rs.
1. Furniture & Telephone etc.,		75,000
2. Typewriter and Ronio machine		35,000
3. Jeep		1,25,000

		2,35,000

B. OPERATING COST: (Rs. per annum)		
Extension Officer (1810-70-2510-80-3230) one each for Coastal, Telangana & Rayala- seema)	1	36,000
Manager (Silk Reeling) (1330-60-1930-70-1660)	1	22,300
Manager (Marketing) (1330-60-1930-70-1660)	1	22,300
Mobile guide (1150-40-1510-2110)	2	38,400

		1,19,000
Other benefits 10%		11,900

		1,30,900
Maintenance of jeep		30,000
Office expenses		36,000
Rent for the office building		54,000

		1,20,000

Total Operating Cost		2,50,900

FINANCIAL REQUIREMENTS

1. Capital Cost		2,35,000
2. Operating Cost (per annum)		2,50,900

	Total	4,85,900

Annexure - 16

WORKING DETAILS OF TECHNICAL-CUM-MONITORING CELL

		B. MONITORING CELL
		Rs.
A. <u>CAPITAL COST:</u>		
1. Diesel jeep		1,25,000
2. Diesel car		1,45,000
	Total	<u>2,70,000</u>
B. <u>OPERATING COST: (Rs. per annum)</u>		
1. <u>Staff salaries:</u>		
Accounts Officer	1	36,000
Superintendent (1330-50-1930-70-2600)	1	22,200
Senior Assistant (1100-40-1500-50-2050)	1	18,000
Typist (910-25-1000-30-1420)	1	16,200
Drivers (810-25-1000-30-1420)	1	13,300
Attenders (740-15-950-20-1150)	2	25,200
		<u>1,30,900</u>
	Other benefits 10%	13,090
		<u>1,43,990</u>
2. TA, office expenses, & Rents etc., will be met from managerial assistance to SERIFED		
		- NIL -

FINANCIAL REQUIREMENTS

1. Capital cost	2,70,000
2. Operating Cost	<u>1,43,990</u>
Total	<u>4,13,990</u>

Means of Finance: Scheme wise and Source wise

(Rs. in lakhs)

Sl. No.	Scheme	No. of units	State Govt.,	TRYSEM/DREA	Society funds Primary/beneficiaries	Verified	From H.A.P.,	Loan Assistance		Margin Money from Beneficiary's	Cont. of India	Total
								H.C.D.C.,	NARSRI/Coop. Banks/Other Banks/IRDCO			
1.	Drilling of surface borwells	10	-	-	-	-	7.00	-	-	-	-	7.00000
2.	Deepening of wells & pumpsets	200	-	-	-	-	6.46	-	9.34	4.00	-	20.00000
3.	Pumpsets	100	-	-	-	-	2.66	-	1.74	1.60	-	6.00000
4.	Inwell borewell	100	-	-	-	-	1.50	-	2.10	0.90	-	4.50000
5.	Silkworm rearing	700	-	28.00	-	-	-	-	46.48	13.62	-	38.10000
6.	Strengthening of share capital	15 societies	1.50	-	1.50	-	1.20	-	-	-	-	4.20000
7.	Supply of inputs or chandrikas	15 societies	-	-	-	-	20.25675	28.35450	-	-	-	49.61125
8.	<u>Estt., of Reeling units:</u>											
	a) Twin charka	421	-	-	-	-	-	-	-	-	-	-
	b) 12 basin filature	41	-	-	-	-	18.062	25.98400	-	-	-	44.04600
9.	<u>Estt., of Twisting Units:</u>											
	a) 240 spindles	71	-	-	-	-	13.05680	16.39170	-	-	-	29.44850
	b) 720 spindles	21	-	-	-	-	-	-	-	-	-	-
10.	Technical-cum-Monitoring Cell	1	-	-	-	-	13.80700	21.70800	-	-	-	35.51500
11.	10 lakh capacity grainage	2	-	-	-	-	5.22200	8.29800	-	-	-	13.52000
12.	Farmers Mobile Centre	1	-	-	-	-	16.58650	-	-	-	-	16.58650
13.	Technical Service Centres	4	6.4188	-	-	-	-	-	-	-	-	6.41880
14.	Training for reelers	250	-	4.50	-	-	5.15000	-	-	-	-	9.65000
15.	Training for twistors	275	-	4.95	-	-	1.90000	-	-	-	-	6.85000
16.	Management Information System	-	-	-	-	-	2.50000	-	-	-	-	2.50000
17.	Working capital for weavers societies	20 societies	-	-	-	-	-	-	8.80	-	-	8.80000
18.	Modernisation of looms	800	-	-	-	-	12.80000	19.20000	-	-	-	32.00000
19.	House-cum-workshops for members of the women weavers co-op., societies	800	44.0000	-	-	-	19.60000	-	47.20	4.40	12.00	127.20000
20.	Design Development & Marketing Cell	1	-	-	-	0.42	1.80000	2.84000	-	-	-	5.06000
21.	Strengthening of share capital base for women weavers co-op., societies.	20 societies	-	-	-	-	2.00000	-	-	-	-	2.00000
	Total		51.9188	37.45	1.50	0.42	151.76105	122.77620	117.66	29.52	12.00	525.00000

ANNEXURE - 18

MEANS OF FINANCE YEAR WISE AND AGENCY WISE

(Rs. in lakhs)

Agency	1st Year			2nd Year		3rd Year		4th Year		5th Year		6th Year		Total		Grand Total
	Subsidy	Loan	Total	Subsidy	Loan	Subsidy	Loan	Subsidy	Loan	Subsidy	Loan	Subsidy	Loan	Subsidy	Loan	
N.A.P.,	74.56475	-	74.56475	17.0218	--	34.402	-	16.9265	-	4.3175	-	4.5285	-	151.76105	-	151.76105
N.C.D.C.,	-	41.51150	41.51150	2.7600	42.5757	3.036	2.84	3.3390	19.20	3.6730	-	4.0410	-	16.84900	105.9272	122.77620
Govt.,/Department	7.91880	-	7.91880	-	-	44.000	-	-	-	-	-	-	-	51.91880	-	51.91880
Banks/HUDCO	-	61.66000	61.66000	-	-	47.200	-	8.8000	-	-	-	-	-	56.00000	61.6600	117.66000
D.R.D.A.,	28.00000	-	28.00000	-	-	9.450	-	-	-	-	-	-	-	37.45000	-	37.45000
S.C., S.T., B.C., Corporation	-	25.12000	25.12000	-	-	-	4.40	-	-	-	-	-	-	-	29.5200	29.52000
Society own funds	-	1.50000	1.50000	-	-	-	-	-	-	-	-	-	-	-	1.5000	1,50000
Government of India	-	-	-	-	-	-	-	12.0000	-	-	-	-	-	12.00000	-	12.00000
Serified	-	-	-	-	-	0.420	-	-	-	-	-	-	-	0.42000	-	0.42000
Total	110.48355	129.79150	240.27505	19.7818	42.5757	138.508	7.24	41.0655	19.20	7.9905	-	8.5695	-	325.33905	198.6072	525.00605

BYELAWS OF THE SERICULTURISTS COOPERATIVE SOCIETY LTD.,

Regd. No.

1. NAME AND ADDRESS OF THE SOCIETY:

The name of the Society shall be PRIMARY SERICULTURISTS COOPERATIVE SOCIETY LTD. It is registered as a Cooperative Society under the A.P.Co-op., Societies Act, (Act No.7) of 1964. It shall work under the guidance of the sericulturists co-op., union for which purpose the society shall get itself affiliated.

2. Its area of operation shall extend to the following villages:

3. The headquarters of the society shall be located at..... The Board of Management shall be competent to change the headquarters within the area of operation of the society with the prior approval of the District Sericulturists Union..... Any change of address shall also be informed to the Registrar within 15 days of change and shall be given wide publicity.

4. DEFINITIONS:

In these byelaws, unless the context otherwise requires -

- i) 'Act' means the A.P.Co-op., Societies Act, 1964
- ii) 'Rules' means the A.P.Co-op., Societies Rules, 1964
- iii) 'Registrar' means the Registrar of Co-op., Societies appointed u/s.3(1) of the Act and the officer on whom the power of Registrar have been delegated as per the provisions of the Act.
- iv) 'District Union' means the Sericulturists Co-op., Union,
- v) 'Board' means the Board of Directors of the Society.
- vi) 'Govt.,' means the Govt., of A.P.,
- ii) 'Year' means the period commencing from 1st of April of the year and ending with 31st day of March of the succeeding year.

- viii) 'Member' means a person duly enrolled as member of the society as per the provisions of the Act and Rules.
- ix) 'Secretary' means the chief executive of the society who shall be the paid officer of the society.
- x) 'Society' means, Sericulturists Co-op., Society Ltd.,
- xi) 'Rashtra Parishad' means A.P. Rashtra Karkhaka Parishad, Hyderabad.
- xii) 'Mandal Parishad' means, Mandal Karkhaka Parishad.
- xiii) 'Federation' means, The Federation of Sericulturists and Silk Weavers' Co-op., Societies Ltd., Hyderabad by whichever name it is called.
- xiv) 'General Body' means, the body constituted by all the members of the Society who have right to vote in the affairs of the Society.
- xv) 'General Meeting' includes ordinary and special General Body Meetings.

5. O B J E C T S :-

The object of the society shall be to promote sericulture and to take up allied activities like chawkie rearing, reeling, and twisting of silk yarn. In this direction, to promote production, procurement, processing and marketing for the socio economic development of the members. In this direction, the society can take up the following activities among other things:-

- a) To organise, assist and promote working of its members in sericulture production from leaf to cloth.
- b) To undertake production of its own or through its members by raising mulberry or tasar gardens.
- c) To establish chawkie rearing centres and to supply chawkie worms to its members at a cost or otherwise as fixed

- by the Board and to procure and supply of leaf and layings for the maintenance of these centres.
- d) To maintain and run demonstration farms in sericulture
 - e) To market or assist in marketing of cocoons, produced by its members.
 - f) To acquire or hold either on outright purchase or on hire basis improved appliances, tools and machinery connected with the activities specified in this para.
 - g) To establish either of this nature or on rental basis godowns to supply fertilisers, pesticides and other chemicals connected with the sericulture activity to its members on cost basis and to store processed or semi-processed product.
 - h) To acquire by purchase or lease or donation or otherwise lands, buildings, and transport vehicles for the conduct of its business.
 - i) To purchase equipment like chandrikas, trays, rearing stands and other equipment for supplying them to its members.
 - j) To conduct training programmes to its members for achieving the objectives.
 - k) To convene periodical conferences or meetings or to provide their services for development of sericulture in the best interest of its members.
 - l) To appoint staff for undertaking the activities and to achieve the objectives.
 - m) To affiliate it to Sericulturists Co-op., Union for the purpose of guidance and marketing of the processed products.
 - n) To undertake or promote or participate in any community and rural development programmes and activities undertaken by any Govt., agency.
 - o) To print literature connected with the development of sericulture for distribution to its members.

p) To borrow funds either from Govt., or from any Commercial Banks or Co-op., Banks for the purpose of achieving the objectives.

q) To undertake such other activities as are incidental and conducive to the attainment of the above objectives.

6. LIABILITY OF MEMBERS:-

Liability of members shall be limited to 5 times of the value of the share capital subscribed by each member.

7. AUTHORISED SHARE CAPITAL:-

The authorised share capital of the society shall be Rs. 5.00 lakhs consisting of 50,000 shares of Rs. 10/- each. All persons who have taken up mulberry cultivation or tassar cultivation in an extent not exceeding 5 acres and residing within the jurisdiction of the society shall be eligible to become members of the society. However, the Govt., can become member of the society without any limitation or subscription of share capital.

8. MEMBERSHIP:-

Any person who has attained the age of majority with sound mind and who is actually taking up mulberry or tassar cultivation subject to Byelaw No.7 shall be eligible to become a member of the society.

(E) No person shall be qualified for being admitted as and for being a member, if he -

i) has been sentenced for an offence involving moral turpitude, such sentence not having been reversed and a period of 3 years elapsed from the date of expiration of sentence.

ii) is a paid employee of the society or its financing banks.

iii) has been expelled from membership under A.P.Co-op., Societies Act, Act 7 of 1964, and period of one year has not elapsed from the date of such expulsion.

c) A member automatically ceases to be a member if he steps growing mulberry or tassar.

9. APPLICATION FOR ADMISSION FOR MEMBERSHIP:-

a) Every application for membership shall be made in the prescribed form addressed to the Chief Executive of the Society. Such application should disclose details of his membership in other societies. He should also disclose details of services obtained by him from other societies. The society shall not without sufficient reasons, refuse admission of any person duly qualified under byelaws No.8(a). If the Managing Committee refuses admission, it shall record the decision with reasons and within 15 days from the date of decision or within 60 days from the date of application for membership shall be communicated to the applicant under acknowledgement. If no such decision is communicated, then the society is deemed to have admitted the applicant membership and the Secretary shall give effect to the admission.

b) Appeal shall lie with the Registrar under sub-section (2) of section 76 of the Act against refusal of admission within 60 days of communication of refusal to the applicant.

10. MAXIMUM AND MINIMUM SHARES AND ENTRANCE FEE:-

Every member shall take a minimum of 10 shares. Every member on admission shall pay an entrance fee of Rs. 1/- per share and a share fee of Rs.0.50. It shall be open for the Board to allow payment of share capital in instalments not ~~exceeding 3~~ after the member subscribes for the initial share.

11. CESSATION OF MEMBERSHIP:-

Any member of the society shall cease to be a member of the society by:-

- a) Withdrawal
- b) Expulsion
- c) Death

d) for the reasons mentioned in the A.P.Co-op., Societies Act, 1964 and rules framed thereunder as amended from time to time.

e) Ceasing to reside regularly in the area of operation of the society and

f) not continuing as a shareholder.

12. WITHDRAWAL:-

No member shall be permitted to withdraw or resign from membership of the society unless he has been a member of the society for at least a period of 3 years. No withdrawal from membership shall be allowed while a member is liable to the society either personally or as a surety to any other member indebted to the society. When member desires to resign his membership, he shall send letter of resignation to the Chief Executive of the Society, by registered post, getting it duly acknowledged. Such resignation of the member is accepted and communicated. The value of the shares allowed to be withdrawn, shall be paid back to him with the dividend if any, declared after valuing his share in the manner provided for in the A.P.Co-op., Societies Rules, 1964. The total share capital withdrawn or returned in any one year shall not however, exceed 10% of the aggregate paid up share capital of the society as it was on 30th June preceding.

13. DEATH :-

If a member dies, his membership shall IPSONFACTO cease. On the death of a member the interest of the deceased member in the society shall be dealt with in accordance with the A.P.Co-op., Societies Act, 1964 and Rules thereunder.

14. LIABILITY OF PAST MEMBER AND ESTATE OF DECEASED MEMBER:-

A past member or his legal heir covered by bye-laws 12 and 13 shall be liable for the debts of the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

15. RESIGNATION:-

Every member of the society, may in writing under his

Signature of Death,

L) Notwithstanding anything contained in clause (e) when the society is wound up under section 6 of the Act, the liability of a past member who ceased to be a member, or the estate of the deceased member who died within two years immediately preceding the date of the order to wind up shall continue until the completion of the liquidation proceedings but each liability shall be limited only to the debts of the societies they existed on the date of cessation of membership or death as the case may be.

17. EXPULSION OF MEMBER:-

It shall be competent to the general body by a resolution passed at its meeting by a vote of not less than 2/3rd of the members present and voting at the general body to expel a member after giving him an opportunity to state his objections, if any, if he has acted adversely to the interest of the society.

18. LIST OF MEMBERS:-

The Board of Directors shall maintain a list of members on the rolls of the Society who are qualified to vote in General Body Meeting and shall bring such lists upto date in accordance with the rules. It shall be duty of the Secretary to supply copies of such lists to such members who desire to have them on payment of such fee as may be prescribed in this behalf.

19. APPLICATION FOR SHARES:-

Every application for share shall be in writing addressed to the Chief Executive. It shall be accompanied with an entrance fee of Rs.0.50. and the share amount of Rs.10/- for every share applied for. Every application for grant of additional share shall similarly be accompanied by the requisite fee and share amount similarly be accompanied by the requisite fee and share amount as prescribed under these bylaws. No member in default in respect of his share, shall be eligible for the facilities offered in the society.

20. SHARE CERTIFICATE:-

Every member for the first time shall be given a share certificate signed by the President and the Chief Executive with the seal of the society, specifying the value of share or shares held by the member. In case of loss of share certificate fee of Rs. 1.00 shall be collected for the issue of duplicate certificate, duly making an entry in the register maintained for the purpose.

21. TRANSFERS:-

A member may apply for the transfer of his shares to another member or to a person who is proposed to be admitted as a

his shares of interest with the capital of the society shall be transferred. Such member may from time to time revoke or vary such nomination. On the death of the member the shares of value thereof, shall respectively be transferred or paid to the nominee after deducting the amount due to the society by the member on receipt of the application. When a member nominates more than one person, he shall specify the amount to be paid or to be transferred to each nominee in terms of whole shares.

In nomination made by a member under this byelaw shall not be valid and shall not in the event of death of a member, have effect unless-

a) It is made in writing and signed by the member in the presence of at least two witnesses and

b) It is registered in the books of the society kept for the purpose.

c) If nomination has been made by a member, the society shall on the death of the member, by a notice exhibited at the office of the society, invite claims, objections for the payment of value of shares of the deceased member to a heir or legal representative within the period of notice. After considering the objections to the claims if any received in this behalf and after making such enquiries as the managing committee considers necessary, it should decide as to the person, who in its opinion is the heir and proceed to pay the value of shares or interest of the deceased member to such person only.

16. LIABILITY OF PAST MEMBER AND HIS ESTATE:-

a) past member shall be liable as provided under byelaw No.6 for the debts due by the society as it existed when he ceased to be member, for a period of two years from such date. The liability of a member who has transferred his shares shall continue for two years after the date of transfer. The estate of deceased member shall be liable as provided under byelaw 6 for the debts due to the society for a period of two years from the date of his death.

^{member} of the Society by the Committee. A fee of Rs.1/- per share proposed to be transferred shall be recovered from the person proposing the transfer. No such transfer of shares shall be made unless the member held such share at least one year and tenders his share certificate with his written application for transfer, with the written acceptance of the transferee. No transfer shall be valid unless and until it is accepted by the Board and registered in the books of the society. The Board shall not accept any transfer unless the proposed transferee is eligible to become member as per these byelaws, and shall reject any transfer application without assigning any reason therefor. The liability of a member who has transferred any share or shares shall be continued for one year after the date of transfer.

22. F U N D S:

The funds of the society shall be :-

- a) The share capital subscribed by its members and the Govt.,
- b) Entrance fee, transfer fee and share fee
- c) Deposits made by the members
- d) Loans or grants or donations received from State Govt., Govt., of India or any voluntary organisation, Govt., institutions like Central Silk Board, A.F.Khadi and Village Industries Board, Khadi Commission, National Co-op., Development Corporation, Commercial Banks and other Govt., or quasi Govt., agencies.

23. BORROWING POWERS;

The Board of Directors may for any authorised purpose raise loans to such an extent, in such a manner, and under such terms as may have been approved by the Board from time to time. The amount of loan so raised inclusive of the deposits received shall not together exceed at any time 20 times the paid up share capital of the society, inclusive of the reserve and building funds minus the accumulated losses.

24. INVESTMENT OF FUNDS:

The surplus funds of the society shall be invested or deposited in the manner laid down in A.P.Co-op., Societies Act 1969.

25. GENERAL BODY MEETING:

The ultimate authority in all matters relating to the administration of the Society shall vest with the General Body. The General Body Meeting of the society shall be held from time to time and it shall be held within six months of the end of the Co-op., Year. Every member shall have a vote. The following among other matters shall be dealt with by the General Body.

- a) Approval of the programme of the activities of the society prepared by the Board for the ensuing year.
- b) Election and removal of members of the Board
- c) Annual report to the Registrar
- d) Consideration of the Audit Report and the annual Report.
- e) Disposal of net profits
- f) Amendments to byelaws
- g) Expulsion of a member
- h) Approval of the annual budget of income and expenditure.
- i) Affiliation of the society to the financing banks or other societies connected with sericulture development.
- j) Review of the loans and advances sanctioned to or the business done with the society by, the member of the Board or their such nor relatives as may be prescribed and report to the Registrar about any default in the recovery of the amounts due to the society.

26. EXTRAORDINARY GENERAL BODY MEETING:

Extraordinary General Body Meeting shall be called for at an instance of the Board of Directors and within one month after

the receipt of requisition in writing, from the Registrar, or from members representing not less than one third of the total number of members on the date.

27. NOTICE AND QUORUM FOR THE GENERAL BODY MEETING:

15 days notice shall be given to members for calling General Body Meetings. Notice for General Body Meeting may be given to the members in one or more of the following modes:

- a) By fixing a copy of the notice of the meeting on the office notice Board and by sending the notice by post under Certificate of Posting or by local delivery under acknowledgment or
- b) By circulation of the notice book and getting signature of the members on it.

QUORUM: The quorum for a General Body Meeting shall be fifteen or 1/5th of the total number of members on the list at the time whichever is less.

28. MANAGEMENT OF THE SOCIETY:

i) a) The Management of the Society shall vest with Board of Directors of nine members of whom seven shall be elected by the members from among themselves in accordance with the provisions of the Act and Rules.

The President of the Society shall be an Ex-Officio member with a right to vote.

b) There shall be a President and Vice President. The President shall be elected by all the members eligible to vote. The Vice President shall be elected from among themselves by the elected members of the Board as per the provisions of the Act and Rules.

ii) The members of the Board of Directors shall hold office for a period of 3 years. For the period of office of the members of the Board, the year shall be given with the date of the assumption of charge by the President and end with the date on which the period of three years shall terminate from such date unless the period is extended

by the Registrar under clause (b) of the Sub-Section (2) of the Section 31 of the A.P.Co-op., Societies Act and Rules, thereunder.

- iii) Interim vacancies in an elected Board, if any, shall be filled up by the Board of Directors by cooption for the unexpired period of office from among individual share holders.
- iv) The quorum for meeting of the Board of Directors shall be five.

29. TRANSITORY BYELAW:

- a) Notwithstanding any thing contrary in byelaw No.28 of the byelaws, it shall be competent for the Registrar to nominate the First set of Directors including the office-bearers and also for the subsequent term and periods as he may consider necessary as long as loans, if any, obtained from Govt., or commercial banks are outstanding.
- b) The Registrar may at any time, withdraw the nomination of any Director or Directors without assigning any reason, irrespective of the term of the Board and nominate another in his place for unexpired term of the Board.

30. Any member of the Board of Directors may at any time resign from his office by sending a letter of resignation to the Chief Executive of the society, but such resignation shall take effect from the date of which it is accepted by the Board of Directors.

31. The Board of Directors shall meet as often as necessary to conduct the affairs of the society and at least once in three months. All the questions before the Board shall be decided by a majority of votes. Should there be an equality of votes the President or in his absence the Vice President or the person presiding over the meeting shall have casting vote. No member of the Board of Directors shall be present in the meeting of the Board, when any matter in which he is directly or indirectly

interested is being discussed. If the Board meeting is not convened even after 15 days after three months, the President shall cease to be President and a new President has to be elected.

In any case of urgency and when there is no time to convene a meeting of the Board of Directors, the Chief Executive may obtain decisions of the Board of Directors by circulation. Every such decision obtained in circulation, shall be placed before the next meeting of the Board of Directors for information. If there is no unanimous decision no action shall be taken and the matter be placed before the Board for decision.

32. Should any elected member of the Board of Directors absent himself from three consecutive meetings without the leave of the Board, he shall cease to be a member of the Board of Director, but he may on a written request, be reinstated by the Board of Directors, but such reinstatement shall not be made more than once during the term of the Board.

33. PRESIDENT OF THE MEETING:

The President or in his absence the Vice-President and if both are absent a member elected other than the Chief Executive shall preside over the meetings of the Board of the General Body.

34. DISQUALIFICATION FOR MEMBERSHIP OF BOARD OF DIRECTORS:

No person shall be eligible for being chosen as and for being a member of the Board of Directors of society if he incurs or attracts any of the disqualifications mentioned in the Act and Rules and if he ceases to be a member of the society as per these byelaws.

35. POWERS DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

1) The Board of Directors shall have full authority to carry on the business of the society, subject to the provisions of the Act and Rules and the byelaws and the directions of the General Body from time to time. The Board of Directors for this purpose shall frame necessary rules for the conduct of the business of the society including services, such as granting of loans,

receiving or deposits and all such activities as may be taken by the society from time to time.

ii) All acts done by the Board of Directors or any person acting as a member of the Board of Directors notwithstanding that it is afterwards discovered that there was some defect in the appointment of such Board of Directors or the member shall be deemed valid as if the Board of Directors of that member has been duly appointed.

iii) The Board of Directors shall be personally liable for all the transactions conducted in contravention of these by-laws.

iv) The Board shall be competent to prescribe from time to time the cadre strength, pay scales, and recruitment rules for the establishment and incur expenditure subject to budget allotment by the General Body for each year.

v) The Board shall also be competent to fix the amount and nature of security to be obtained from the staff subject to such instructions or orders as may be issued/given by the Registrar from time to time.

vi) The Board shall also attend to the following duties and items of work among other:

a) To deal with applications received for (1) grant of loans and (2) extension of time for repayment of loans and the payment of share capital other than initial share capital. In that connection the Board will detain such information as is relevant to the security, period of payment, rate of interest and extended period of repayment.

b) For the proper management of the affairs of the society and to carry out the objects thereof and furthering its interest, the Board shall exercise all such powers and take all such actions as may be necessary.

c) To appoint sub-committee consisting of at least 3 members of the Board for the following purposes:

i) Purchase or hire of equipment relating to voluntary chawki rearing centre and fixation of rates for payment of equipment to the members.

- ii) For procuring cocoons and marketing of the same at the rates at which the cocoons are to be purchased from members or the cost which has to be deducted from the sale price for payment to its members.
- iii) To decide the time schedule, place and method of conducting training classes to the members.
 - d) To check and pass monthly accounts of the society and to call for General Body Meeting and to place before the General Body at their annual meeting a report on the transactions of the year, the auditor's report and the certified balance sheet.
 - e) To institute, defend or compromise legal proceedings
 - f) To furnish the Registrar with such returns and proceedings as may be prescribed and paid on behalf of the society.
 - g) To arrange for the proper maintenance of accounts of all moneys received and paid on behalf of the society.
 - h) To appoint, suspend, punish or dismiss the salaried servants of the society and assign duties to them, subject to the provisions of the byelaws.
 - i) To arrange for the purchase of seed cuttings, saplings, graft of mulberry, cocoons implement, and other accessories required by the sericulturists and to arrange storage, hiring or dispose by sale of such goods.
 - j) To hear and deal with complaints.
 - k) To take up measures to promote activities as are incidental and necessary for obtaining the objects of the society.

36. a) P R E S I D E N T:

The President shall have general control over the affairs of the society. He shall have also powers to appoint with the approval of the Board of the members of the establishment except the Chief Executive. He shall also be competent to impose or inflict punishment or fine, suspension, stoppage of increment, reduction of rank, removal or dismissal from service in respect of all employees for whom he is the appointing authority.

An appeal against any such punishment shall lie with the Board of Directors within one month from the date of receipt of

the order or the date on which it would have been received.

b) VICE-PRESIDENT:

In the absence of the President, the Vice-President shall exercise the powers of the President under clause (a).

37. SECRETARY:

The Secretary shall be a paid officer of the Society. He may be appointed directly as per the provisions of these by-laws or taken on deputation from any Government Department. He shall be a graduate. Preference shall be given to those who have a minimum of one year experience in sericulture field. The Secretary shall be responsible for executive administration of the Society subject to the control of the President and the Board and have custody of all records and properties of the Society.

- 1) He shall
 - a) Representative of the Society in all legal proceedings.
 - b) Sue or to be sued on behalf of the society
 - c) Get all the Bonds to be executed in favour of the society in his name.
 - d) Be competent to incur petty contingent expenditure subject to a maximum of Rs.500/- per month.
 - e) Operate the Bank account of the society within the limits prescribed by the Board.
 - f) Sign, endorse and negotiate cheques and other negotiable instruments within the limits prescribed by the Board.
 - g) Maintain the cash book of the society and account for the moneys received and spent, signing daily in token of its correctness.
 - h) Control the work of the members of the establishment if any, in accordance with the value of business to be approved by the Board.
 - i) Sanction casual leave to all the employees of the society.
 - j) Maintain the prescribed accounts and registers.

- 1) Issue receipts for all money received by the society and obtain vouchers for all payments made.
- 2) Attend to the correspondence of the society.
- 3) Convene and attend to the meetings of the Board of Directors in consultation with the President and General Body as resolved by the Board of Directors and duly recording the proceedings of such meetings and carry out the resolutions passed at the meeting. Prepare annual statements and other returns that may be prescribed under the Rules from time to time by the Registrar. Place before the Board, the applications received for membership withdrawal of deposits or shares, and other correspondence, obtain their orders and take action on the decisions. Be the custody of the registers, and all other records, including investments records, cheque books and the seals of the society and the stock and other property of the society. To place the audit memo before the Board for consideration without delay and to take further steps in regard to rectification and submission of an audit rectification report to the Registrar in time. To receive, products tendered by the members in the society, godown and be responsible for their accounting. To examine the stock register and verify the stock regularly. To realise and account for the sale proceeds. To purchase and also sale the articles required by the members at reasonable rates subject to the approval of general instructions of the Board of Directors. In the absence of the Chief Executive, the Board may authorise any other person to perform his duties.

BUSINESS OF THE SOCIETY:

The society shall undertake business within the scope of its objects mentioned in byelaw No.5.

b) The Chief Executive in consultation with the Board may arrange for the purchase for cash or on credit raw materials and appliances required by the members of the society and for their sales or hire of such articles on such term as may be prescribed by the Board and Sub-Committee approval for the purpose from time to time.

37. ADVANCES AGAINST ARTICLES:

a) The Board shall be competent to render financial assistance in advance to members on the security or pledging of their goods on such terms as may be fixed from time to time and also arrange for the recovery of such advances subsequently as per rules with interest and panel subsidiary rules to be framed by the Board in this behalf from time to time.

b) The Financial Assistance shall not any time exceed 75% of the assessed market value of the produce pledged. It shall be competent for the Board to call on a borrower at any time before the due date of repayment to pay back portions of the loans on advance drawn, or in the alternative to provide ^{additional} ~~additional~~ security for the outstandings, if in the view of the Board there is justification for the same.

c) While the reasonable facilities for the strength of articles pledged by the members will be provided by the society it will not be responsible for the deterioration in the quality of what is stored. An agreement will be executed by every borrower incorporating this condition.

40.

CONDUCTING OF SALES:

The society on authorisation shall sell commodity pledged to the best advantage of the member. The society within the notified area shall dispose cocoons as per the Andhra Pradesh Silkworms Seed (Cocoons) Control Act, 1956 and rules issued thereunder. In case the cocoons are taken for sale outside the State for securing a better price to the members the market fee prescribed in A.P. Silkworm Seed (Cocoons) Control Act, 1956 and Rules issued thereunder shall be paid before the cocoons are moved

11. LOANS TO MEMBERS:

a) The Board shall be competent to grant long term, medium term, short term and other types of loans to the members as per rules that shall be prescribed, through financing institutions. No member shall however, claim for any loans as a matter of right. Applicants for the loans should not have been default of previous loans drawn from the society only. Loan granted can be for the purpose of improvement of mulberry gardens, sinking of wells, installation of pump sets, construction of boring houses, installation of reeling and twisting units, construction of rearing houses, reeling and twisting sheds, installation of processing units, buying of raw materials required in silk industry. These will come under long or medium term loans, repayable respectively within 10 and 5 years and governed by rules framed by the Board.

b) Short term loans will be for the purchase of raw materials, agricultural appliances repayable within 12 months and also governed by rules specifically to be framed for the purpose.

c) The upper limits of loans to be sanctioned under long term, medium term or short term shall respectively be Rs.30,000/-, Rs.20,000/- and Rs.15,000/-. The minimum loan sanctioned shall be not less than Rs.500/-. These loans are to be given subject to eligibility of members.

d) The sanction of these loans shall be as per the rules framed by the Board and the Board is competent to sanction these loans. Each borrower shall produce two sureties who should also be members of the society. The borrowers may have to provide additional security required or mortgaged his immovable property before disbursement of loans.

e) Grant of loans shall be recorded in the minutes book of Board of Directors.

f) The Board shall have powers to recover or to close a loan with interest before the date of repayment when the loan granted is found to have been misapplied. The decision of the Board in this regard shall be final.

g) Loans granted could be in the shape of Financial Assistance or also in kind such as silkworm eggs, manure and other appliances.

h) The amount due to the society from any individual member shall not at any time exceed 10 times to the paid up share capital of the member concerned.

i) Without prejudice for taking any further action the Board has power to recover whole or part of the amounts due on the loans granted to any members by selling the articles of the member pledged to the society.

j) When the Board feels that additional security than originally furnished for a loan is required, for any reason, it shall be competent to call upon such a member by a notice in writing to furnish such additional security within a specified period. Failure to comply with the requirements of the notice shall entitle the society to call back the whole loan notwithstanding the original terms on which the loan was granted.

k) For every loan an agreement shall be executed indicating the rate of interest, number of instalments, nature of security etc., and it shall be got registered, wherever necessary. The rate of interest to be charged shall be fixed by the Board of Directors from time to time and however it shall not be less than the Bank rate.

l) When a member from whom money is due pays any sum, it should be appropriated in the following order.

Firstly the fee, fines, postage, registration and other miscellaneous charges due by him, secondly to penal and ordinary interest, and thirdly to principal.

42. CUSTODY OF CASH BALANCE:

The Secretary shall be responsible for the cash on hand of the society and at no time shall the closing balance exceed the limit prescribed by the Board of Directors. Excess cash on hand shall then and there be remitted to the Bank account. In the absence of the Secretary the Officer authorized to act as Secretary by the Board shall be the custodian of cash and cash accounts.

43. DISTRIBUTION OF PROFITS:

The net profit of the society as declared by the Registrar year after year shall be disposed off as shown below:

- a) Not less than 25% shall be carried to the Reserve Fund.
- b) 3% subject to a maximum of Rs.2,500/- shall be credited to the Co-operative Education Fund.
- c) Such amounts as may be specified in the Act and Rules from time to time shall be taken to Bad Debts Reserve or for other specific purpose.
- d) Out of the remainder, such amount as may be decided by the General Body may be distributed as dividend to the members subject to a maximum of 6 1/2% per annum calculated on the paid up value of each share held up by them proportionately to the amount of the share capital, paid up and the period in the year during which the amount is being held by the society.
- e) Out of the remainder, a sum not exceeding 7 1/2% may be set apart to the common Good Fund to be spent for purposes mentioned in A.P.Charitable Endowment Act, 1890, within the area of operation of the society.
- f) Any profit not allotted in the manner aforesaid and the balance, if any, shall be added to the Reserve Fund.

44. RESERVE FUND:

The Reserve Fund shall belong to the society as a whole and is intended to meet unforeseen losses.

- a) The society shall invest it in such manner as the Registrar may prescribe and it shall not be drawn upon except with his previous sanction.
- b) On the dissolution of the society, the Reserve Fund and other funds contributed by it under the provisions of these byelaws, shall be disposed off in accordance with the rules framed under the A.P.Co-op., Societies Act, (?) of 1964.

45. MISCELLANEOUS:

No amendment or alteration of or cancellation of a byelaw or the enactment of a new byelaw shall be made without the

meeting of the General Body specially convened for the purpose and passed by majority of the members present and Voting.

46. Should any doubt arise to the construction of interest pretation of the act or any byelaw the Board of Directors shall refer the same to the Registrar for clarification and such clarification shall be final and binding.

47. The society shall prepare and submit annually in such form may be prescribed by the Registrar.

- a) a statement showing the receipts and disbursements for the year.
- b) a profit and loss account.
- c) a balance sheet and
- d) such other statements as may be prescribed by the Registrar.

48. Should any sum belonging to the society to either stolen or otherwise lost and found irrecoverable, it shall be upon the sanction of the Registrar.

49. The minutes of the proceedings of all meetings of the General Body and Board of Directors shall be entered in a book kept for the purpose and signed by the President of the meeting and the Chief Executive and shall be communicated to the members of the Board.