

CHAPTER - V

OBSERVATION & SUGGESTIONS OF THE STUDY

5.1	Observations	72
5.2	Suggestions	75

C H A P T E R - 5

OBSERVATIONS & SUGGESTIONS OF THE STUDY

In this chapter, observations drawn on basis of review and analysis are presented and on the basis of observations, in the next sub-chapter a package of suggestions is offered to the organisation studied.

5.1 OBSERVATIONS :

The following are observations emerged from the study carried out -

- 1) Maharashtra occupies top position in the map of textile industry (Specially Spinning Co-Operative Sector) of our country with 40 spinning mills installed out of 118 in the country, 8 out of 24 under-installation.
- 2) The Powerloom business in Ichalkaranji has registered a significant progress since 1950-51 to 1990-91. Assuming 1950-51 as a base year, upto 1990-91, Index is increased to 4500 indicating more and more numbers of powerlooms are being installed.
- 3) There are five co-operative spinning mills are operating in Ichalkaranji with a number of 2,40,484 spindles.
- 4) In the co-operative spinning mill studied, maximum number of members were registered in the year 1989-90 ie. 18570.

- 5) The organisation studied is mainly organised in four departments - Finance, Security, General Administration and Production department.
- 6) The purchase function of cotton of the mill under study is performed through four different agencies like cotton-growers, co-operative Marketing Federation, Private traders and other co-operatives. The main supplier happened to be the private traders next to which is co-operative Marketing Federation.
- 7) The production process of all the units prevailing in Ichalkaranji is uniformed.
- 8) The capacity utilisation of the organisation under study varied between 71% and 90% of the installed capacity. The maximum capacity utilisation is registered in the year 1989-90 which is 90%.
- 9) One of the main causes of under- utilisation of capacity happens to be the electricity failure which was higher in the year 1988-89 to the extent of 3.11 % of installed capacity.
- 10) The maximum yarn production is registered in the year 1990-91 which was 64.82 lakh kg. The same is came down to 46.06 lakh kg. in the year 1991-92.
- 11) The sales performance varied between Rs.1743.86 lakh and Rs. 3256.06 lakh. The maximum sales is registered in the year 1991-91 which is Rs. 3256.06 lakhs.

- 12) The export of the mill varied between 11% and 32% of total sales. The maximum export sales is registered in the year 1989-90 which is 32% of total sales amounting to Rs.851.28 lakhs.
- 13) As regards to asset management indicated by financial ratios, following observations are made :
- i) Stock turnover ratio remained around 4 to 5 indicating high inventory holding.
 - ii) Fixed assets turnover ratio varied between 0.98:1 and 1.37:1 indicating scope for efficient use of fixed assets.
 - iii) Capital turnover ratio remained in the range of 0.81:1 to 1.11:1 indicating a scope for improving turnover in relation to capital employed.
 - iv) Profitability of organisation is very low as earning profit is not the sole objective of the organisation but to provide the marketing facilities to powerloom owners.
 - v) Liquidity position of the organisation is not sound as indicated by the liquidity ratios.
 - iv) As indicated by Debt Equity ratio the Organisation seems to be highly debted in relation to professional norms.

Based on the observations mentioned earlier a package of suggestions is offered to the organisation studied namely Kolhapur Zilla Shetkari Vinkari Sahakari Soot Girani Ltd. Yadrav, Ichalkarnji in next sub-chapter.

5.2 SUGGESTIONS :

Here, an attempt is made to offer few suggestions to the organisation studied. :

- 1) As far as possible, the purchase function may be performed through co-operative agencies instead of relaying on private agencies.
- 2) The capacity utilisation of the organisation may be improved for which all the functional departments need to be geared.
- 3) To avoid work-failure, the organisation may go for it's own generator.
- 4) To exploit concessions for export, the organisation should take steps to improve it's export sale, for which a separate department may be opened.
- 5) Inventory management of the organisation may be opened.
- 6) The officers in the different functional departments needs management training to intelcate professionalism, therefore, necessary training facilities may be made available.

In the conclusion we may say that most of the co-operative spinning mills are run by imitation rather than innovation. The organisation studied is mostly run on the basis of experiences gathered from other co-operative organisation and therefore, their working style remains more or the less same with strength and weaknesses.