

CHAPTER - VI

CONCLUSIONS AND RECOMMENDATIONS

- 6.1. INTRODUCTION
- 6.2. NATURE AND FINANCIAL POSITION OF
SHRI GANAPATI ZILLA KRISHI AUDHOGIK
SARVA SEVA SAHAKARI SOCIETY LTD.,
SANGLI
- 6.3. NATURE AND POSITION OF PURCHASE TRENDS
- 6.4. NATURE AND POSITION OF SALES TRENDS
- 6.5. PRICE POLICY OF THE SOCIETY
- 6.6. PROMOTIONAL MEASURES
- 6.7. PERFORMANCE OF SHRI GANAPATI ZILLA
KRISHI AUDHOGIK SARVA SEVA SAHAKARI
SOCIETY LTD., SANGLI
- 6.8. RECOMMENDATIONS

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CONCLUSIONS AND RECOMMENDATIONS

6.1. INTRODUCTION

The consumer co-operative movement in India had not succeeded, and could not effectively compete with the private trade, because the movement comprised almost entirely small primary consumer co-operatives, which depended on the private wholesalers, manufacturers for supplies. In the earlier chapters an attempt has been made to study the Nature, organisation, purchase sales trends and performance of the Shri Ganapati Zilla Krishi Audhogik Sarva Seva Sahakari Society Ltd., Sangli. The conclusions and suggestions arrived at various stages of the study are enumerated below.

6.2. NATURE, AND FINANCIAL POSITION OF SHRI GANAPATI ZILLA KRISHI AUDHOGIK SARVA SEVA SAHAKARI SOCIETY LTD., SANGLI.

The society has 14 branches in the various types of nature i.e. Adat Market, Chemical and Fertilizer branch, Medical shop, Cloth and readymade garments, Mudranalaya, Agriculture Development Centre, H.P.Gas

distributive agency, Credit society, Consumer co-operative shops etc.

In view of the year 1993-94 the society has 1743 members with Rs.17.04 lakh of shares capital and a turnover has increased to Rs.12.30 crores, total capital is raised upto Rs.82.71 lakhs including authorised share capital, paid up capital and reserve fund.

The society started with only dry commercial items. At present the range of consumer services embraces 8 items of consumer goods and 6 items of agricultural used goods.

It is interesting to note that the society produces Ganapati Chhap (Brand) mixed Khat (fertilizer) and running one process unit of groundnut.

6.3. NATURE AND POSITION OF PURCHASE TRENDS

The main findings regarding nature and position of purchase of the Shri Ganapati Zilla Krishi Audhogik Sarva Seva Sahakari Society Ltd., Sangli are as follows.

The purchase procedure for all the consumer items adopted in head office of the society. The head office has appointed purchase committees. These purchase committees provide broad-base to regulate purchase policies. Purchases should be approval of purchase committee and they should be made on the basis of tender and quotations.

The society has been purchasing from different places and ways i.e. 80percent from producers directly, 15 percent from co-operative sugar factory, co-operative federations and government agency and 5 percent from local traders.

The purchase trends of consumer goods has gone upto Rs.4.14 crores in 1993-94 compared to 1989-90 of Rs.1.80 crores. It seems to significant development of the society. In the five years under study there were some variations in the purchases of consumer goods. The purchases have gone down in 1990-91 due to the change in the activities of the society. But the society still did not adopt a scientific method for purchase policy.

The purchase trend of agricultural goods has gone up very significantly, i.e. from Rs.4.61 crores in 1989-90 to Rs.7.71 crores in 1993-94.

6.4. NATURE AND POSITION OF SALES TRENDS

To conclude this sub section by emphasizing some points emerging from the study are as follows.

There is no written down sales policy as such in the society.

The business of the society is of the two types viz. own business and agency business. Agency business concerned with the commission i.e. society has been appointed by the HP GAS company as an agent to distribute the consumer gas.

The turnover trends of the both consumer goods and agricultural goods has rapidly gone up in the five years. The total sales increased from Rs.7.25 crores in 1989-90 to Rs.12.30 crores in the year 1993-94.

This is a significant development of the society. The average percentage sale of consumer goods in the years 1989-90 to 1993-94 is 53 percent of cloth and readymade garments, 27 percent of gas, 2 percent of medicine to the total turnover of 1 percent cracker, 2 percent of provisions and 15 percent of paper, wheat, sugar to the total turnover.

There were also increasing sales trend of agricultural items. The percentage turnover of fertilizer goods has gone up from 93 percent percent to 94.33 percent in 1993-94 and remaining items like seeds, insecticides, agricultural equipment constitutes the growth in percentage like 2 to 5.66 percent in the year 1993-94. The overall performance in the turnover of consumer goods as well as agricultural items is very satisfactory.

It is interesting to note that there were significant growth in the turnover of sugar in year 1993-94 i.e. 40 percent percent in 1993-94 as compared to 6 percent in the year 1991-92.

6.5. PRICE POLICY OF THE SOCIETY

The Ganapati Zilla Krishi Audhogik Sarva Seva Sahakari Society Ltd., Sangli is not following market price, society adopted the price for consumer goods to the public at prices which are slightly lower than the market price. The profit margin charged by the society for consumer goods is in the range of 5 to 10 percent. The society adopted the price policy on the principle of high turnover with low margin and low turnover with high margin.

Some articles sell on commission basis, i.e. on 5 to 10 percent commission obtained from this type of sale. But it seems to be that the society does not revise the prices of consumer goods, they are not prompt in this regard.

6.6. PROMOTIONAL MEASURES

Member will get 15 to 30 days credit. The credit limit is fixed at 5 times to the share capital. The society also provided the purchase rebate at the rate of 1 percent on purchases to members and employees. The society also adopted a prize scheme to encourage the consumers and members. Employees are enjoying 5 to 10 percent discount on all purchases made from the retail unit.

The society has advertise once in a month in daily newspapers and radio. It is seen that the society also spent the amount on advertisement is 1 percent to the total turnover. In the year 1993-94 the amount spent on advertisement is Rs.46000/-.

6.7. PERFORMANCE OF THE SHRI GANAPATI ZILLA KRISHI

AUDHOGIK SARVA SEVA SAHAKARI SOCIETY LTD., SANGLI

The performance or progress of the Shri Ganapati Zilla Krishi Audhogik Sarva Seva Sahakari Society Ltd., Sangli illustrated with the help of commercial profit, net profit, and total business of the society during the five years i.e. 1989-90 to 1993-94.

The overall performance in consumer goods sale has gone up from Rs.1.94 crores in 1989-90 to Rs.4.35 crores in 1993-94 and the society making supernormal gross profit i.e. Rs.15.02 lakhs in 1989-90 to Rs.21.43 lakhs in 1993-94.

Only the performance of branches in the turnover of cloth and medicine is not satisfactory. This is due to new-set-up of the branches in the Arag and Savalaj, and as a result of high administrative cost.

The performance in agricultural goods sales like fertilizers, seeds and insecticides has very satisfactory. The total gross profit from these items has gone up from Rs.8.66 lakhs in 1989-90 to Rs.22.86 lakhs in 1993-94.

It is interesting to note that the society making higher profit in only the fertilizer because the society produces fertilizer items on its own - Ganapati Chhap mixture Khat (fertilizer) besides the other type of fertilizers marketed on the basis of commission or only 1 percent margin because the government grants the subsidy on this item. The society's gross profit has gone up in fertilizer upto 92 percent in 1993-94.

The society contineously making abnormal net profit. Net profit increased from Rs.33,552 in 1989-90 to Rs.70,942 in 1993-94. In case of sugar the net profit gone up Rs.45956 in 1993-94 it is significant one.

But the society making losses in medicine, cloth during the year 1990-91, 1991-92. This is due to less turnover, non-seasonal sale and new-set-up the branches.

To conclude this the total turnover of the society has gone up from Rs.7.26 crores in 1989-90 to Rs.12.30 crores in 1993-94. The total net profit of the society increased from Rs.1.82 lakhs in 1989-90 to Rs.4.60 lakhs in 1993-94.

The society has distributed the dividend amount to the members increased from Rs.22,794 in 1980-90 to Rs.37,164 in 1993-94. These are the points revealed that the society is on a good line of development.

But the stock turnover of the society is poor in the year 1990-91 and 1991-92 due to the excess purchase and low sale in the various new branches which were newly opened in village like Savalaj and Arag. The society also giving least importance towards promotional measures.

To conclude this the financial position of the society is very well. Total share capital increased, working capital of the society also increased. The sale trends, commercial profit, net profit and overall performance of the society is satisfactory.

The management did not undertake measures such as guiding and supervising the work of its members. Seminars and conferences were not conducted to give publicity. On the other hand, the members also did not show much interest either by attending the meeting or in discussing the functioning of the society.

6.8. RECOMMENDATIONS

It is in this regard we were making certain recommendation with respect of purchase, sales trends, price policy and progress of the society.

1. The consumer co-operative society must thoroughly understand the principles and methods of consumers co-operation.

They must make sure that there is a genuine need for organizing a co-operatives in the locality and that adequate response from the people would be forthcoming and promoters should work out a detailed plan for setting up the store taking into consideration, the resources available and the local needs.

2. The society's members would have spare the time to supervise the working of the consumer co-operative society.
3. Participation of women is very essential for the success of consumer co-operatives.
4. Special drive should be made to enroll women members. They should be co-opted on the board of

directors and special women sub-committees should be formed to persuade women members to effective implementation of rules and regulations.

5. In order to strengthen the financial position of the consumer co-operative society and care should be taken to see that the consumer co-operative society should take every possible step to raise funds from within by increasing share capital. An intensive drive should be made to increase membership and the average size of share holding per member.
6. It is necessary to provide variety of goods and serving larger interest of members. This should depend upon local conditions and the needs of consumers.

Consumer Co-operatives should make bulk purchase through appropriate co-operative agencies.

7. Another important recommendation is in respect of consumer co-operatives should undertake processing activities like oil extraction, flour making, fertilizer production etc.

8. Government should give positive preference to consumer co-operatives in the matter of granting import licences.
9. So far as price policy and promotional measures consumer co-operatives should lay special emphasis on suitable purchase and price policy and should pay percentage dividend on the basis of the purchases.
10. It should introduce home delivery services to stimulate sales and should pay special attention to the quality of goods.
11. It should be made obligatory on the part of each co-operative society that all the staff of the co-operatives should properly be trained. Salesman should be induced to promote sales by offering them commission on sales.
12. So far as working conditions are concerned managers should be given full freedom to carry out the policies laid down by the board of directors and proper system of supervision and checking should be introduced.

13. The purchase committee are required to identify the slow moving items and suggest ways and means by which the stock may be cleared off. They may also try to develop more suppliers for different commodities which will help them in securing right commodity at right price.
14. In order to improve the sales, Shri Ganapati Zilla Krishi Audhogik Sarva Seva Sahakari Society Ltd., Sangli may concentrate on sales promotion by
 - a. Spending a little more amount on advertisement
 - b. Tapping the source of cinema slides and distribution of leaflets.
15. The profitability position can be raised by
 - a. Improving the gross profit either by reducing the administrative cost/the cost of goods sold or by the improving the sales.
 - b. Improving the net profit by reducing operating expenses, or by reducing the interest.
 - c. Individual branch-wise financial statement may be prepared to know the viability of each branch.

16. They may identify the training needs of the employees in advance and prepare the training plans accordingly.

We are aware that some of the recommendations made above will increase the standard, status and growth of the society and the society will be running in a line of co-operative principle. To avoid the loss and the problems related to purchases and sales of the society, it is essential to formation of co-operative credit society for the members of Shri Ganapati Zilla Krishi Audogik Sarva Seva Sahakari Society Ltd., Sangli and to start a own manufacturing unit for the various consumer goods.

To conclude, no co-operative consumer society prosperous, unless and until wholehearted co-operative is extended by officials, non-officials and public as a whole.