

CHAPTER V

CONCLUSIONS AND SUGGESTIONS



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1. The study reveals that the total number of members of the DTSKVS over the period of five years has increased by 42 and the amount of shareholder's funds is increased by Rs. 3,42,787.03. From these figures, it seems that the growth of membership of the DTSKVS is gradual. The main reasons for this are :

- (i) The people living in the operational area of the Sangh are politically and socially backward and they fail to realise the importance of co-operative organisations,
- (ii) Low productivity of land in the operational area of the Sangh,
- (iii) There is no scope for rabbi season due to lack of irrigational facilities in the operational area of the Sangh and,
- (iv) Management of the Sangh seems to have failed to encourage the people for its membership.

Therefore, it is suggested that the management should give the people an idea of the general principles, economic benefits derived from the co-operative organisations and motivate them to participate in the co-operative organisation for promoting their betterment.

2. It is observed that the DTSKVS is the only co-operative marketing organisation in the Sindhudurg District which exports Alphonso mangoes produced in the operational area to France and England through the Maharashtra Agro-Industrial Development Corporation. But its performance in this field is not so satisfactory. During the year 1988 - 89, the Sangh exported only 1,716 boxes of Alphonso mangoes. The main reason for this poor performance is that the Sangh fails to compete with the fruit agents from Bombay. Therefore, it is suggested that the DTSKVS should make an advance payments to the Alphonso mango cultivators. This will help the DTSKVS in improving its competitive strength to some extent.

3. It is found that the share of sale of chemical fertilizers in the total sales affected by the DTSKVS is quite high throughout the study period. During the year 1984 - 85, 74 percent of the total sales is the sale of chemical and granulated fertilizers and in the year 1988 - 89 the percentage is 66. The main reason for this high proportion of the sale of chemical and granulated fertilizers to total sales is heavy demand for chemical and granulated fertilizers from Alphonso mango cultivators in the operational area of the DTSKVS. It is observed that the cultivation of Alphonso mango in the operational area is increasing day-by-day. Therefore, it is concluded that, there is enough scope to increase the sale of chemical and granulated fertilizers by the DTSKVS.

4. The study reveals that the investment of the DTSKVS in its fixed assets is very low. This investment for the year 1984-85 amounts to Rs. 1,80,466.91 and the same for the year 1988-89 amounts to Rs. 4,16,376.63. The main reasons for this low investment in fixed assets are - i) the DTSKVS acquired three warehouses and an office-cum-selling premises on rental basis; ii) only purchasing and selling activities are conducted by the DTSKVS, neglecting other activities such as processing, transportation, etc. In view of this, it is necessary that the DTSKVS should expand its fixed assets and diversify its business activities.

5. It is observed that there is no substantial increase in the total sales of the DTSKVS over the period of five years namely, 1984-85 to 1988-89. The average increase in the sales during the study period is marginal to the tune of 0.12 percent only. The sales during the year 1984-85 amounted to Rs. 13,056,130.62, while during the year 1988-89 it amounted to Rs. 13,716,318.39. From this it seems that the performance of the DTSKVS regarding the increase of sales is not so satisfactory. Therefore, it is suggested that the DTSKVS should open separate distribution units at interior parts of the operational area of the DTSKVS to increase the volume of sales and to provide better services to its members and others.

6. The study further reveals that the warehousing facilities of the DTSKVS are inadequate as compared to its volume of business operations. There is a need of warehousing facilities to store chemical fertilizers and other articles. At present, the DTSKVS has two warehouses of its own. One of the warehouse has 600 tonnes of storing capacity and the other has 400 tonnes. The DTSKVS needs a warehousing capacity of about 2000 tonnes. Therefore, the DTSKVS acquired three godowns on rental basis to meet its requirement of storing. On the other hand, the available godowns are not technically proper to store the goods. Thus, it is necessary that the DTSKVS should construct godowns having storing capacity of 2000 tonnes considering the technical points of warehouse construction.

7. The DTSKVS has concentrated its attention to the purchase and sale of chemical fertilizers and other articles, and completely neglected the undertaking of assembling and processing activities. So far the cultivation and production of Alphanso mango in the operational area is concerned, there is enough scope for undertaking processing activities by the DTSKVS. However, the Secretary of the DTSKVS revealed that the management is not as such interested in undertaking the processing activities because of its seasonal nature and the investment in it will not be a profitable activity. Further, there is no scope for processing other agricultural produce due to its limited availability in the operational area.

8. It is observed that the investment in inventory is very low throughout the study period (1984-89). The average stock turnover ratio for this period of five years is 57.73 times, which is a good sign from the view point of investment in current assets. This is due to ready and continuous supply of goods from the suppliers. From this it seems that the DTSKVS is able to maintain good relations with the supplies and conducting selling activities with minimum investment in inventory.

9. The study further reveals that, though there is a substantial increase in the amount of gross profits, the amount of net profit has however, not increased proportionately over the period of five years. The main reason for this is an increase in the operating expenses. The DTSKVS has to spend huge amounts for the rent of godowns and an office-cum-selling premises. Therefore, it is suggested that the DTSKVS should construct a godown and an office-cum-selling premises of its own to reduce the operating expenses.

10. The DTSKVS secured an agency of Indian Oil Corporation for petrol and diesel pump in April, 1988. However, it has not yet started their distribution. This indicates that the DTSKVS is not interested in expanding its business activities due to some or the other reason.

11. The study also reveals that there is a need for maintaining the vehicle of its own such as a truck by the DTSKVS to improve its distribution activities and to provide better services to its members and others. But while discussing with the secretary of the DTSKVS, it is found that though the financial position allows it to purchase a truck, the DTSKVS is not interested to do so. Because it is doubtful whether a paid-servant will maintain the vehicle properly or not ?

