

CHAPTER - V

**CONCLUSIONS AND
SUGGESTIONS**

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1) **A SOCIETY WITHOUT ANY POWER**

KTLSS is a cooperative society having Board members who are not the members of KTLSS. As per the scheme this Board was formed at the beginning but there was no representation to the society. It means a society without any power to run the factory. This position needs a change by giving more and more representation to the real owner society step by step.

2) **MULTIFOLD CONTROL**

BIFR, two banks, state government, outside experts and KEU have representation on the board. These Board members are from different fields. They hold the views of their institutions while managing the KTL. It is a kind of many fold control. KTLSS should have power to elect their board. The co-opted members should play a role of advisors.

There may not be homogeneity of opinions among the representatives. It may slow down the progress of the KTL.

3) **NO ACCOUNTABILITY**

In a cooperative society members of the Board of Directors are accountable to their voters i.e. members. But here in the case of KTLSS the Board members being deputed by

their respective institutions are accountable to their masters and not to the KTLSS. Board of Directors should consist a majority of elected members.

4) WORKER'S SACRIFICE SHATTERED

The unique experiment undertaken by KEu at the cost of worker's sacrifice is facing with a little bit doubt. As the years are passing on hope for success is becoming pale. Accumulated losses are rising with great speed. Pressure of outside liabilities create doubts in the minds of workers. State and Central Governments should play more positive role in getting this experiment successful.

5) TECHNICAL EXPORTS AND TOP LEVEL OFFICERS LEFT THE COMPANY

70% key post offers and technical experts left the company as they saw the fate of the company in danger. These experienced personnels were offered attractive pay-scales by other companies. This move adversely affected the production and management. The remaining officers remained in the company as they could not see any scope outside the company. BIFR & IDBI have the responsibility of providing necessary personnels.

6) STAFF WITH LOW CAPACITY

Out of middle and low class staff 40% joined other companies as they were offered better prospects. The remaining had no other alternative expect to stay. Such a personal position can't help the society to go out of illness.

7) NON-AVAILABILITY OF TECHNICAL AND TOP RANKING PERSONNAL

KTL being a sick unit technical and top ranking personnals are not attracted by it. Such persons see that some old experienced have left the factory. BIFR and IDBI should come forward at this critical stage with a offer to lend experts and necessaary personnals.

8) INSUFFICIENT BANK FINANCE

KTL takeover scheme includes the provision of bank finance. But KTLSS does not get sufficent and required finance from the concerned banks. There is no implementation of plans due to lack of funds.

IDBI & BIFR may take imitiative in arranging necessary finance to KTLSS.

9) OBJECTS OF IRBI TO BE APPLIED TO KTL

The objects of the Industrial Reconstruction Bank of India (IRBI) should be applied to special problems of sick units and provide assistance for its speedy reconstruction and rehabilitation and if necessary, provide managerial and technical assistance as well. KTLSS needs managerial and technical assistance. The operating agency IDBI should arrange to meet their needs through IRBI. (BK - Industrial Sickness by Dr. Khanka page 173)

10) LACK OF EXPERIENCE IN COOPERATIVE FUNCTIONING

Kamani workers had no previous experience in management and the union cadets also did not know as well. After taking over the Kamani factory, then experts in the management extended their hands to workers to run the factory smoothly. This co-operative society is lacking behind to show proper direction and guidance. This has resulted in increasing loss, spread & disgrace, leaving services, lack of co-operation by banks etc.

It is needful that worker and cadets must have co-operative and managerial training through BIFR and IRBI.

11) WORKERS COOPERATIVE SOCIETY EMERGING AS A NEW COOPERATIVE PERSONALITY

Textiles, sugar and like other industries are organised and successfully run by agricultural producers who used to put their labour in production and marketing. Like that the workers of KTL accepted the challenge of running KTL on cooperative basis for the last 7 years. Thus they developed a cooperative image and personality through their Kamagar Audyogik Utpadak Sahakari Society. It is expected that BIFR, Government and banks should try to understand this new emerging personality. But these organisations failed to judge the new force in the form of cooperative personality. Workers of KMT are wholly dependant on company. They are part and parcel ready to sacrifice to bring the

company out of sickness and flourish it in all respects. But the bankers paid a little attention to workers attitude.

12) The top most leaders of KEu have played an excellent and perfect role which had no parallel before. They have formed co-operative society and developed a favourable outlook of the workers but they could not spare their full time as they have their other social and political work. Nowadays maturity of leadership has no substitute.

13) NEW COMPETITORS IN THE MARKET

Tubes and rods of Kamani Tubes Limited had its monopoly in production before 1985. Due to sickness, production stood still. On 1990 onwards the production gained momentum to some extent. The demand was more while the production was low. So the production didn't meet the demands. Alco Bazi and one other company came into existence in Rajasthan. These two companies were new competitors to Kamani Tubes Limited. Rods and tubes from Kamani were despatched to Germany long before. But of late the same goods of high quality is being exported to India from Germany.

Kamani Tubes has to think of new technology which produce high quality goods and more production which meets the more demand.

14) BANK'S LIEN OVER KTL'S FIXED ASSETS

Now the company has 73 crore Rs. assets as its today's market value. Banks have to lien over the assets for their loans and advance. All loans and advances with inter-

est about to crore could be met by selling out unproductive assets like buildings and landed property and the excess sell amount could be utilised for working capital.

The banks should consider the views of society with a bonafide attitude.

15) EXPECTATIONS FROM OTHER UNIONS

There are other unions which are also needful to make similar of endavours. These various though function under varied banners, should come forward fraternally to help an experiment undertaken by KEU in a multi ways according to their capacity. So that a new ideal model may form before the sick industrial units for their guidance. Of-course takeover of ownership by workers can't be the solution every time.

16) WORKERS PARTICIPATION AND PRACTICAL VIEWS

Workers own control over day to day management develops a sense of appreciating the problems facing the management from time to time. Problem posed by intenses competitions in the changing circumstances are now realised better. Indiscipline among workers is also expected to be looked into more carefully as the results affect them directly and personally. Problems connected with retrenchment can also be taken into account with a proper perspective now.

Similar realisation by workers in other establishments daring to make a bold experiment may lead to more responsible labour movement.

17) SOME GUIDELINES TO OTHER SICK UNITS

The large number of other sick units in the country are creating disturbance and has prompted efforts to find a solution to the problem. KEU experiment suggests certain points that need to be taken into account in chalking out any scheme for the revival of sick units. It seems possible to provide in such a scheme itself that on occurring of certain developments, labour should have a right to taken over through a suitable form like co-operative.

18) NEED OF MONITORING MACHINERY

It is essential to have monitoring machinery to locate events before causing heavy damage in the present case we see capital base was eroded, working has deteriorated, losses had accumulated. If there had a mechanism to monitor such phenomenon then it may have possible to avoid the damage to the unit and to the labour.

19) NO EASY TASK

The revival of sick units demand tremendous efforts, sacrifice and patience on the part of workness. KEU proved to be worthy of accepting this challenge. The success depends upon the top most leaders of Keu in changing mentality of employees that they should act, behave, shoulder

responsibilities and face difficulties as an entrepreneur.

20) "It is worth nothing that in the entire scheme, only a minimal role was played by the central government. After the workers agitation, all that it did was to arrange a meeting of concerned secretaries and then to ask the IDBI to prepare a scheme. The rest was done by a Supreme Court. Even BIFR cast only one responsibility on the centre viz that it would fund arrears of excise duty repayable over a period of 3 years as per the prevailing policy of Central Government would it not be in the fitness of things that the central Government should play a more positive and larger role, because sickness is an all India phenomenon and the centre is as much responsible for tackling it as the states and the financial institutions?"

SOURCE - Revival of Kamani Tubes Limited.

A case study by Dr. P.S. Palande
Indian School Of Political Economy,
Pune, Page 13, Last Para.