

CHAPTER : IV.

WORKING OF SHETKARI SAHAKARI SANGH LTD., KOLHAPUR.

- IV : 1 Introduction
- IV : 2 Present organizational set up of Shetkari Sahakari Sangh Ltd., Kolhapur.
- IV : 3 Diversified Activities IV:3:1 Developments.
- IV : 4 Progress made in respect of the following items.
 - IV : 4 : 1 Financial Performance :
 - IV : 4 : 1 : 1 Investment IV : 4 : 1 : 2 : Employment.
 - IV : 4 : 1 : 3 Turnover IV : 4 : 1 : 4 Income & Expenditure.
 - IV : 4 : 2 Purchase policy.
 - IV : 4 : 3 Price policy.
 - IV : 4 : 4 Achievements in aims & objectives.
 - IV : 4 : 5 Inventory control.
 - IV : 4 : 6 Salesmanship & Advertizement.
 - IV : 4 : 7 Profit Distribution.

IV : i Introduction :

Attainment of self-sufficiency in food, equitable distribution of available food supply and stabilization of prices are the objectives of Indian food policy. Right from the period of British rule, interventionist policies in matters relating to production, trade and distribution of food grains was accepted as a necessarily especially because of the chronic shortages and the fear that they might persist in the years to come. The Gregory Committee (1943) hurried the doctrine of "Laissez Faire" in food policy.¹ After independence with the emergence of National Planning a new phase of consolidation of economic policies commenced. The ideal of economic growth with social justice became the guiding principle for economic policy formulation.

Government had to intervene in the distribution of food and essential commodities in India, Firstly because, the country is poor, indeed, is probably the poorest among the community of nations.² Secondly the growth of economy has been slow and unsatisfactory and the small gains of development seem to be monopolised by the upper middle and the richer sections of the society leaving the lower middle and poor sections more or less untouched by the progress of development.³ Thirdly, due to the acute shortage of food grains, due to repeated drought conditions famines and war conditions. Fourthly, due to wide disparities in regional availability of food grains.⁴ Fourthly, due to wide fluctuations in agricultural production due to the over dependence on weather⁵ and lastly due to the exploitative, and anti social activities of private trade.⁶

At present the need for equitable distribution of essential commodities is a basic national objectives and the public Distribution system is used as an important means for achieving the objective.⁷

Public Distribution system in India are retailing systems supervised and guided by the state, consumers co-operatives are a major component of Indian Public Distribution System, though the foundation of co-operative movement in India was laid down in 1904, till 1911 there were only 78 consumer's co-operative societies in the country. During the second world war, India witnessed a great expansion in the consumers co-operative movement. During the years 1947-1960 the consumers co-operative movement showed a huge fluctuation, mainly due to changing food policy of the government from time to time. In 1962 in order to tackle the food situation created by chinese invasion, Government of India sponsored a central scheme for consumer co-operatives. As a result of the organizational and promotional effort made by the Government since 1962, a country wide institutional frame work of consumers co-operatives with a four tier structure was built by 1968-69. At the end of June 1977 the four tier structure of consumer co-operatives consists of National consumers co-operative federation at a national level, 14 state federations at state level, 456 whole sale central co-operatives and 180 departmental stores (SUPER BAZARS) at district level with 3,539 branches and 15,165 primary societies at Taluqa and village level catering to the needs of 58 lakhs consumer families.³ The total volume of consumer goods distributed by the stores is estimated to be more than Rs. 800 crores in 1977-78 and in 1979-80 it is expected to be Rs. 1,000 crores.

The total sales turnover of the Federation is currently estimated to be more than Rs. 8,000/- millions. In rural areas, more than 53,000 co-operative retail outlets are distributing consumer articles. These co-operatives are managing more than 66,000 fair price shops. The value of consumer goods distributed by co-operatives in the Urban and rural areas in 1977-78 was estimated to be more than 400 crores in each of the areas. The sales turnover of the Federation has reached more than Rs. 700 millions in 1978-79.⁹

Is it in
district or
in the
Maharashtra
State

Consumer co-operatives development was given top priority in 20 point Economic Programme also. However, inspite of the tremendous Governmental encouragement and assistance, to the consumer co-operatives, the share⁹ of retail trade by consumer co-operatives has hardly reached 4 percent.¹⁰ Consumer co-operatives in India are not functioning successfully or efficiently as business institutions in economic term. The performance of majority of consumer co-operative stores has been far from satisfactory. This indicates a gap between 'Promised and Performance.' P

Shetkari Sahakari Sangh Ltd., Kolhapur is one of the most successful co-operative consumer societies in the whole Maharashtra as well as in Asia itself. Co-operators, co-operative officials and co-operative trainees from different parts of India have visited this great co-operative enterprise. To them it is not only one of the biggest co-operative enterprises in the country, but also a great School for co-operators. One who has not seen the sangh, has not seen one of the best achievements of co-operation in the country. The sangh was established in the former state of Kolhapur on 23rd October, 1939 With the, than Kolhapur (Karvir) State as its area of operation. This unique co-operative society has evolved steadily, stabilized firmly and succeeded brilliantly. The story of the birth, growth and flowering of this co-operative enterprise is a bright chapter in the history of the co-operative movement, not only of Maharashtra but of the entire country.¹¹ In the year 1939-40 when the sangh was registered it had 17 societies and 213 Individuals as its members with a meagre share capital of Rs. 4560/- and working capital of Rs. 2,5,522/-.

At present the sangh attained the peak of progress, As on 18th Dec, 1982 the sangh had 1009 societies and 41,496 members. Its share capital rose to Rs. 40,31,350/- and working capital Rs. 7,63,72,610. The reserve funds increased to Rs. 64,83,917 and other funds increased to Rs. 1,38,03,442/-. In this year sangh earned Rs. 7,77,494/- as net profit.

Present Organizational set up of Shetkari Sahakari Sangh, Ltd., Kop.

The sangh was started with the prime object of promoting the economic interests of the agriculturists by securing better returns for their produce and making them available all agricultural requisites like manure mixture, fertilisers, insecticides, quality seeds and the like at reasonable rates at proper time and at as near to their residence as possible. Since the very beinging in the sangh ^{SP} tried to render efficient services in raising agricultural yields. Now the 'Sangh' has extended its activities in all fields of the human life in general and farmers in particular. The area of operation has also extended subsequently to the whole of Kolhapur District, and is working as an Ideal co-operative complex, to the whole of Asia.

Members :

There are two ^Ptypes of members. 'A' class members who are full fledged members. Consisting of individual members as well as society Members, 'B' class members are nominal members who have to pay only entrance fee of rupee one only. This can be shown in the following table.

Table : IV : 1 : Different members of the sangh.
As on January, 1983.

Sr. No.	Class	Members As on 30.6.1954	Members As on 30.1.1983
1.	State Government	-	1
2.	'A' Class Societies	240	1009
3.	'A' Class Individuals	3090	41496
4.	'B' Class Individuals	1571	9886

(Source : Annual Report 1981-82 of the sangh)

Constitution of the Board of Directors.

The Board of Directors consists of twelve members as follows, ¹²

Table : IV : 2 Board of Directors of the sangh.

Sr. No.	Board of Directors Elected by	As on 30.1.1983
1.	Society Members.	6
2.	Individual Members.	3
3.	Managing Director Who is elected by all the 'A' Class members.	1
4.	Members belonging to Backward class. Nominated by Board of Directors.	1
5.	Representative of the District Central Co-operative Bank.	1
Total		<u>12</u>

(Source : compiled and computed by the author from Sangh's records)

As per the provisions of the Maharashtra Co-operative Societies Act, 1960 the period of the Board of Directors is of five years and the elections are held as per the provisions of the Maharashtra Specified co-operative societies elections to committees Rule 1971.

Day to day Activities :

All the members of the staff at Head Office assemble at 11 A.M. Sharp in the prayer Hall. Every members of the staff by rotation gives a talk on any current subjects for about Ten minutes and thereafter the Mass Prayer on 'Co-operation' (*Sahakar*) is sung in corus. Right earnestly every body sits in his chair and starts his official duty at 11.15 A.M. sharp.

For the purpose of convenience, proper checks and control, all the multifarious activities of the sangh are divided into separate sections and branches. Each section maintains its accounts separately. There as many balance sheets as there are sections. They are consolidated at the Head Office which prepares the consolidated Balance Sheet of the 'Sangh.' Each section has to complete its cash ledger, stock ledger etc., every day. Having completed the day to day accounts, all the sections and branches situated in Kolhapur city send their daily reports in the prescribed form to the H.O. by 5, p.m. The branches outside the city send their daily reports by post on the following day, on receipt, the Secretary Scrutinises all the daily reports and with his observations submits the same to the Managing Director every day.

All the sections and Branches send their respective monthly statements of Accounts, Profit & Loss Accounts, Balance Sheet together with the schedules to the Head Office. So as to reach the same by 5th of every month. On 6th of every month a meeting of the Managers of all the Branches is held wherein overall review of working of every branch is taken and difficulties sorted out. On receipt of all the statements and documents and scrutinising thereof a consolidated

monthly Balance Sheet and other important reports from various branches and sections, prepares precis notes for the Board Meeting on every subject and obtains remarks from the Managing Director. The Board meets on 11th of every month invariably and deals with all the subjects on the Agenda.

A continuous and concurrent audit is carried out by the Government Auditor (Special Auditor C.S.I.) appointed by the co-operative Department for the purpose. In addition 'Sangh' has its own Internal Audit Section for carrying out day - to day checking which helps in rectifying most of the minor mistakes and irregularities.

Staff :

The sangh, in consultation with the recognised trade Union of the Staff the employees has finalised the pay - scales etc. satisfactorily.

All daily requisites such as food - grains, cloth, grossery provision etc. are supplied on credit to the members of the staff upto a limit of 100% of their basic pay scale. Benefits are also made available to staff personnel and their dependents. Compulsory provident fund at 8.33% has been enforced and the sangh contributes an equal amount towards the same. Benefits of leave gratuity & Medical aids are also provided for.

As on 30th August, 1982 the total staff of the sangh is 1079 out of which 1015 are permanent and 17 are temporary. Lastly 47 employees are appointed on the basis of consolidated wage.

Organizational set up :

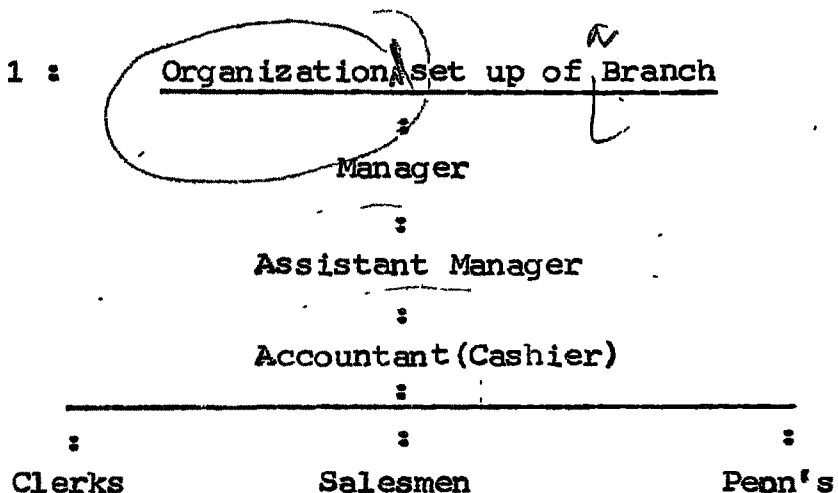
The organizational set up of the 'Sangh' is very peculiar one. Above all there will be the Board of Directors.

Out of these twelve directors President will be selected. Then Managing Director will be elected by individual members and the society members, every years. Then comes the general secretary. Office superintendent will be the next in hierary. He superivises establishment, Accounts & Audit Section A,seperate manager will be appointed for each of these sections.

The establishment section is concerned with the staff control. Its work relates to the members. General correspondence and stores and records is maintained by accounts section. This section looks after all official duties. Audit section keeps control over each and every transaction of the sangh.

From the organization set up delegation of authority from the General Secretary to his subordinates is evident. General Secretary will look after the over, all supervision of all the activities of the ' Sangh ' and also the subordinates recognise their responsibiliting in order to achieve the common objectives of the sangh. The ' Sangh ' has a team of able experienced and trained officials who are devoters to their work.

Chart No. IV : 1 :



In the branch organization manager is a fully responsible person for the particular Branch. With reference to his duties he can take dicision, with the consent of the general Secretary.

The manager has full authority over the daily transaction. He is the Chief Controller of the branch. All employees working in the branch work under his guidance and control for the achievement of the aims & objectives of the sangh. The same picture is shown in the sangh's working chart in the Next Page.

IV : 3 Diversified Activities :

The sangh has entered into many fold and diversified activities in marketing processing, manufacturing and consumers supply etc. and has been able to build up a very high standard of service and has made a positive impact on the economy of the whole district.

The operations of the sangh are carried on through its branches and Depots and Distributing Centres. Distributing Centres are primarily village primary co-operative societies in the District to whom fertilisers, oils, food grains and other essential commodities are supplied on consignment account. The diversified activities of the sangh have increased at an enormous rate. The progress in the performance of a wide variety of its functions particularly in respect of agricultural marketing, and supply of agricultural requirements and consumer goods has been spectacular.

The principal activities and achievements of the sangh are summarised below.

1. Marketing of Agricultural Produce. :

The sangh was started with the object of promoting co-operative marketing of agricultural produce and although its activities and operations have branched out to an increasingly wide variety of new lines of business its principal function and concern continues to be marketing of agricultural produce. In the rec-ent years, the whole district is covered and served by Taluka Marketing Societies it continues to be the most

prominent marketing society in the district. It is perhaps the biggest and the most outstanding marketing society not only in Maharashtra but also in India.

a) Jaggery :

The principal agricultural produce handled by the sangh since beginning is Jaggery (Gur). Sangh is operating in the Kolhapur Market, the biggest assembling market for jaggery in India. Its successful working for over 37 years contributed to many sided improvements in agricultural marketing in Kolhapur Market, even before the regulated market was established. It has been the constant endeavour of the sangh right from its inception to get maximum possible price for the produce of the agriculturists. The sangh has now 17 Adat Shops and one purchase section and handles about 10% of the total gura arrival in the market. Sangh pays attractive rebates to the cultivator members who send their jaggery for selling through the sangh.

b) Tabacco :

With the advent of tobacco marketing operations in the regulated market recently, the sangh also entered this new field in pursuance of its policy of promoting the interests of the farmers. The sangh handles this business even under unfavourable conditions in order to secure the most reasonable prices for the produce of the agriculturalists. The sangh paid advance on 4,658 large sized bags and 121 smaller bags brought to it for sale by 1,023 farmers of 20 villages in 1980-81. It will be the earnest endeavour of the sangh to organise the sale of these arrivals and serve the interest of the farmers to the best of their capacity.

2. Supply of Agricultural requisities : -

The cheap and ready availability of Agricultural requisites has been a powerful incentive to adopt improved farming techniques.



The credit for giving an impetus to utilization of fertilizers is in no small measure due to the energetic and efficient distributive service rendered by the 'Sangh.'

a) Fertilisers :

In the initial stages, the sangh obtained fertilisers from Government and other available sources and distributed the same. With the heavy increase in demand later on in 1959 the sangh started making its own NPK Mixtures of balanced fertilisers for its members. The 'Bull Brand' manure mixture manufactured by it became very popular among the agriculturists because of their high quality and competitive rates. The sangh has a Granulated fertilizers manufacturing plant of its own at Rukadi. Arrangements are made to sell " Bull Brand " mixtures at uniform prices at all branches and distribution centres. Commission at the time of sales, and rebats at the end of the year have proved very attractive to the member cultivators.

The sangh has set up a Soil Testing Laboratory to encourage agriculture on scientific basis. Soil tests and water tests are carried out in the laboratory for member agriculturists. A constant check is kept by chemists attached to laboratory on the quality of the granular and also hand mixed fertilizers manufactured by the 'Sangh.'

The production at the Rukadi plant was 23,290 tonnes. The supplies from other sources amounted to 10,730 tonnes. The hand-made manure mixture was of the order of 7,724 tonnes like this intotal it produced 41,744 tonnes of fertilizers. Like wise it purchased manure mixture to the tune of 2,186 tonnes from M.A.I.D.C. Like this manure section earned the profit to the tune of Rs. 17,15,807 for the year 1981-1982.

of M.I.D.C.

b. Agro Development Centre : 1 & 2.

This section was established in 1964 & has assumed increasing importance by its contributions to the development of agriculture. It is gratifying to note that not only agriculturists in Ratnagiri district & people of Karnatak visit these two centres for their purchases of seeds and insecticides. Feeds for cattle and poultry manufactured by 'Lever Brothers' are sold through these centres. Several Dairy co-operative societies are taking advantage of these centres. There has been a considerable rise in the sales of quality seeds, medicines, Hydrous Powder agricultural implements, phosphoric acid etc.¹³ Free advice is given to the cultivators to induce them to introduce scientific method of cultivation.

c. Petroleum Products :

The agriculturists of the district have developed lift irrigation. Water of the rivers are lifted by installing oil engines to irrigate the farms. The demand for fuel oil for the engines has been increasing year by year. The sangh has served the agriculturists by supplying diesel oil to them at minimum possible prices through its numerous branches, depots and distributing centres all over the district.

The sangh has served Agencies from Indian oil corporation, Bharat Refineries and Indo-Burma Petroleum Corporation, supplies of fuel oil and lubricants regularly received from these companies are made to the petrol pumps which two are in Kolhapur city, three on co-operative suger factory sites and one at Bombay.

The sales of fuel oils and petrol have been increasing progressively. In the year 1981-82 the total sales were Rs. 8,21,91,846 and yielded an income of Rs. 16,26,973/-

d) Iron and Cement :

The sangh gets its supplies of cement from Mysore Cement Company Ltd., Bagalkot Industries Ltd., and associated cement company Bombay. Galvanised plain and corrugated as also black plain sheets, mild steel rounds of various sizes, axels and M.S. flats for carts, barbed wire and cement are sold through this section and also through some of the branches in rural area. Sangh also continued to operate as Authorised Distributor for Government in Kolhapur District for distribution of cement. In the year 1981-82 it distributed iron & cement of the value of Rs. 86,64,146/ and earned a surplus of Rs. 4,04,531/-

e) Machinery & Sanitary Section :

The shop situated in the city handles sales of electric motors, starters, switch-gears, oil engines and their spare-parts, electric bulbs, fans, hardware, pipes & pipe fittings, agricultural implements, etc.. The sangh operates an agent of well known manufacturers like siemens, Kirloskar, Mayers, Motorpal & G.E.C. and S.K.F. The sales are increasing day by day. The response of consumers has been encouraging. The business of this section is quite satisfactory. The sales in this section totalled Rs. 43,23,594 in the year 1981-82 yielding an income of Rs. 46,146.

f) Bicycles, Electric goods :

With the rise in the price of petrol bicycles are in great demand. This section operates an agent of Raleigh & Humber, the two leading companies, following the take over of the Raleigh Company by the Government, the supplies were hit for some time. The sangh operates as a stockist for the siemens companys Electric Motors. Some times the supplies are uncertain and inadequate. The sangh has therefore arranged to obtain supplies of products of other companies in response to the demand from their customers.

Goods like electric bulbs and tubes are made readily available to the people in rural areas in the rural branches of the sangh. Recently sangh got the distributionship of the Indian Oxygen Limited for their products. The sales in this section for 1981-82 was Rs. 24,59,724 and it earned a surplus to the tune of Rs. 44,359/-

g) Tractor Servicing Centre :

The sangh has two tractors of its own. The benefit of the tractor service was given to members and farmers in the District at minimum possible charge. The demand for the Services for ploughing operations recorded a marked increase. It also runs a repair workshop of tractors, trucks and cars. Spare parts of tractors are sold at minimum possible prices. The centre has earned a good reputation for its services. The prompt and efficient work at this centre has greatly contributed to the efficient operation of the Transport Section. In the year 1981-82 the sales of this section amounted to Rs. 21,58,357 out of which the sangh earned the profit to the tune of 36,278 rupees.

3. Services to consumers :

The success of a society must be measured by its efficiency in supplying its members with the goods and services they require, in the quality and economy of service and in its sensitivity to consumer's wants. The sangh has organized a large variety of consumer service activities. It has done a heroic job in serving consumers through its food grains supply section, whole-sale food grain shops, retails food grain shop, cloth shop and general stores, Medical shops, utencils shops etc. The spectacular growth in its consumer service activities speaks volumes of the success with which they are handled. Especially its services through the chain of Medical Shops have won the admiration and affection of thousands of people.

In the conduct of its multifarious activities for the benefit of the consumers, the sangh has observed the high^{es} standards of efficiency. Its business being on a large scale, the benefits of bulk purchases are reaped in full measure and these are passed on to the consumers.

Right from its intiation to this field of business activity the sangh has followed a bold, dyanmic and progressive policy which as yielded good result. A close range view of how the sangh manages its different consumer section, should prove highly useful to all those interested in running consumer's stores. Careful planning of purchases and active sales policy are the two outstanding features which mark out the sangh for its distinction in the field, goods are purchased in bulk as far as possible at the very source of production. It has built up business contacts with wholesalers in Bombay, Surat, Jagadri (Haryana). Bangalore, Hubli etc. purchases follow very closely the turnover. There is neither a gap nor a heavy carry over of stock in trade.

The sales policy has been fashioned to secure to the customer the maximum possible satisfaction. The policy has always been maximum margin of profit and maximum service to the consumer. It is one aim that inspires all the trading activity. Naturally enough, the sangh has earned the good will of the consumer public. One of the outstanding features of its sales policy is its price policy. It has always taken the intiatiye in shaping and determining retail prices in its field of business. It has proved a pace - setter both in standards of consumer service and in prices. It does not accept the thesis that a consumer's co-operative store should follow market prices set by private enterprise. In fact, it pursues a dyanamic and active price policy, to which the private trade should conform. Always keen on securing for the consumer low and competitive prices, the sangh by its initiative has given a lead to private enterprise. The consumer who has become immensely price conscious these days, —

- is thankful to the sangh for its price leadership.

Firmly established in a large variety of consumer business, the sangh has progressively and vigorously branched out to fresh avenues. The manifold services it renders to the consuming public are described here in brief.

A) Pharamaceuticals :

The sangh has brought a Real Revolution in this sphere of distribution of medicine in Kolhapur district. With its dynamic sales policy the sangh has become a 'Price setter and pace setter in this field.

The venture proved new high in the eventful and successful career of the sangh and year after year the business increased and more and more shops were strated in response to pressing demands from all over the District.

At present the section operates through Eight Medical shops in Kolhapur city and eleven medicine shops in the Distirct. " Night-Service " and " Wholesale " medicine sections are operating at Kolhapur & Ichalkaranji. The section manager the Agencies of 34 well known Pharamacetical concerns. Through representative of the sangh good contacts are established with chemists and Doctors in Kolhapur, Ratnagiri and Sangli Districts. The sales in this section totalled Rs. 3,44,49,916/- in the year 1981-82 yielding a surplus of Rs. 3,44,779/-.

B) Cloth :

The sangh entered this field in 1956, when it took over the Kolhapur branch of the erstwhile Bombay State Consumers Co-operative Society Ltd., The main shop in Kolhapur city handles both wholesale and retail business in controlled as well as non-controlled cloth. Under the Government Scheme of supplying cloth at controlled price, as a Semi-Wholesaler the sangh distbributes such cloth to 52 co-operative societies and 11 of the sanghs branches in the Urban & rural area.

Textile goods were supplied to 2 Retail shops in Kolhapur city. 15 Retail shops in rural areas and some co-operative societies, through the wholesale section. The total sales of the sangh in 1981-82 stood at Rs. 1,49,92,891/- earning an income of Rs. 3,63,726/-

C) Ready made Garments : -

The sangh has started its separate Ready made Garments shop at Kolhapur. By direct purchases from the well known manufacturers it has been possible to sell the garment at reasonable prices. The response from the consumers has been very good and sales have recorded marked limit. Arrangements have been made for the sale of garments and hosiery goods at the cloth shop and six of our branches in the rural areas. The total sales stood at Rs. 19,81,463/- and the income earned by this section was Rs. 1,07,977/- as per the year 1981-1982.

D) Provision Stores : -

The sangh runs one wholesale provision store in Kolhapur through which provisions and cosmetics are supplied to retail shop on Tarabai Road in Kolhapur City. Through this department the sangh supplied provisions & other consumer goods to 13 branches in Kolhapur city in respect of the provision items, & 40 branches in rural areas and 5 centres at reasonable price.

The Sangh gets consumer goods directly from reputed companies like Tata, Hind Lever and parle. The Godown at the Rukadi Village has meant considerable savings in Octroi duty. Goods are supplied from this godown to the sanghs branches in the rural areas at least twice a month according to thier requirements. This section organized the sales of H.M.T. wrist watches and faverleuba time pieces. There is a good demand for the customs goods, which were made available to this section towards the end of the year. In the year 1981-82 the total sales were Rs. 53,15,988/- and yielded a surplus of Rs. 51,798/-

E) Utensils shops & Utensils Factory : -

The utensils shop in Kolhapur city was started in the year 1963 to response to the suggestion of a large number of members. From the very beginning it did good business and sales were above expectations. The sangh also manufactured copper, brass and alluminium utensils at Kolhapur and sold at reasonable rates. The sangh had two Utensil Shops in Kolhapur City and 1 shop in Ichalkaranji City. Additionally utensils are sold through some of the sanghs branches and centres. In case of sales of ' Howkins Pressure Cooker ' sangh acquired an award & prizes in the Western Maharashtra Group.

The production in the Utensils factory was 124 metric tonnes of alluminium utensils in the year 1981-82. The sales effected were 140 metric tonnes. The factory manufactures utensils from alluminium ingots. Wide publicity is given to these utensils through advertizements in news papers. Roving salesmen have been appointed to tour extensively to publicise and popularise the products. This publicity campaign has proved fruitful and the demand for the utensils has picked up. The target set for production and sales for the next year is 150 metric tonnes.

F) Food - grains and Suger : -

Sangh has a wholesale food grain shop at Kolhapur. Bulk purchase of foodgrains like wheat, pulses, bajri, jawar and other commodities like groundnut oil, coconuts etc. and distribution is made to the retail shop of the sangh and other branches in the rural areas. The sangh has the agency for distribution of rationed suger for shahuwadi, Bhudargad Ajara and Chandgad Talukas & Bombay. Under the monopoly grain procurement scheme, the Govt. has appointed the sangh as Sub-Agent of the marketing federation for Karveer and Gaganbvada Talukas for purchase of grains.

During 1981-1982 sangh distributed 7,060 bags of grain and 3,068 tins of palm oil were distributed. The quantity of rationed suger distributed was 22,183 bags. The total sales of this section was Rs. 77,84,602 and the surplus earned by the sangh was Rs. 36,840.

G. Wholesale Grain Shop.:

The business of this shop is most progressive now a days. The sangh has scrupulously and consistently followed the policy of the sangh, viz to sell the produce of the farmers at the highest price obtainable in the market, to purchase grain, pulses etc. from markets outside the district and make them available to consumers at reasonable prices. The sangh now a days in getting adequate quantities of grains, pulses, sweet oil etc. for regular distribution to the branches, & centres of the sangh. In 1981-82 the total sales were Rs. 2,35,65,188/- and yielded an income of Rs. 51,798/-

H. Text Book Distribution and Stationaries : -

The sangh operates as whole seller appointed by the Text Book Bureau of the Government of Maharashtra for the sale of Text books for Kolhapur, Sangli, Ratnagiri. The section has ensured regular supply of books to book - sellers according to their requirements. Also one retail shop for text books and stationery is located in Kolhapur City.

I. Sports Material :

Sales of sports materials as the shop of the sangh at Shivaji Stadium have shown steady progress since 1977. The materials are purchased directly from the firms with an established reputation for the high quality of their goods.

The services of the shop have been appreciated by schools, colleges and sportsmen. Increasing keenness among them to benefit by the quality of goods and services rendered are indicative of the usefulness of the shop. The total sales of this section in 1981-82 was Rs. 2,13,744 and the income earned was Rs. 2,949.

J. Rexin & Accessories :

This shop at the Kotiteerth Market handles sales of Rexin cloth and other materials required for coaching and cushions. Provision is made to sell fair price cloth at this shop. The business has recorded marked progress and is acquiring good public confidence. In the year 1981-82 the sales of this section totalled Rs. 3,20,529 and yielded a profit of Rs. 6,148.

K. BIDRI DEPARTMENTAL STORE :

Recently 'Sangh has started mini departmental store, Shetakari Bazar at Bidri which is in Bidri sugar factory area and it is receiving good response from surrounding rural area.

4. Manufacturing activities :

A) Granular Fertiliser Plant :

Considering the heavy demand of mixed fertilisers the sangh set up its own first Granular Fertiliser Manufacturing plant in the co-operative field at Rukadi, near Kolhapur in 1968 with with a capital investment of Rs. 22 lakhs and annual capacity of 25000 tonnes. " Bull Brand " granulated mixture is so popular with the agriculturists in the District that the whole production is sold out as a hot cake.

B. Oil Mill Wadgaon :

The oil mill was started in 1952 at Wadgaon with a view to secure better prices for groundnut a commercial crop of the area. The producers as well as the consumers have been the beneficiaries since the high quality sweet oil is made available at a very reasonable rate. In the year 1981-1982 the purchase of groundnuts totalled to 15,238 bags the crushing of 2,618 bags of groundnut seeds yielded 249 tonnes of sweet oil and 341 tonnes of groundnut cake.

In response to the suggestions from members it has decided to distribute sweet oil at the rate '5' Kg per 'A' class individual member at concessional price, as per 1981-82. The total sales of this section during the year was Rs. 44,52,771/- earning as income of Rs. 378.

C. Chilly Powder :

The sangh has its own chilly powder processing plant. The quality chilly is purchased in well known markets and processed in this plant. To ensure the quality a full fledged laboratory is attached to this plant. Recently the sangh has acquired " AGMARK " for its chilly powder from the Government. The sales are boosting up and every effort is made to process powder on large scale.

The supply of cleansed spices was started in recent years. The response to smaller packets of cleansed spices was good. The demand for the product has been increasing. The production of chilly powder with I.S.I. mark is in progress and every effort is made to ensure that the supply keeps pace with increasing demand. In 1981-82 the sales of this section totalled to Rs. 15,62,845/- keeping a surplus of Rs. 2,609/-

5. Miscellaneous activities :

A) Printing Press :

With a view to cope up with increasing requirements of printing stationary the sangh started its printing press in 1961. All the printing work required by the sangh is done in this press. In addition text Books for the Maharashtra Text - book Bureau and annual Reports of Co-operative Societies are also printed here. Printing materials like paper and ink are supplied to local printing presses at reasonable price. Installation of Automatic Cylinder Machinery of the Hindustan Machine Tool Company has greatly facilitated in quick and quality printing. The total sales of this section was Rs. 6,68,149 and the surplus earned was Rs. 9,142 in 1981-82.

B) Transport operations :

The voluminous business handled by the sangh through its well spread over branches and distribution centres in the district and outside has necessiated the setting up of its own transport fleet. The sangh has nine trucks and nine tankers of its own which are engaged in transporting fertilisers, mixtures, food grains, suger, fuel oil, lubricants etc. The transport of levy grains is also handled by this section for the Government. On return trips these trucks transport the agricultural produce of members to the market whenever available. Quick and cheap transport provided by this section has greatly facilitated the operations of the sangh as a whole. Again during the year 1981-82 sangh purchased one new tanker. The sales amounted to Rs. 28,87,581/- and profit earned by this section was Rs. 14,369 during the year.

C) Timber yard :

The timber depot was started in response to the pressing demand of several members. This section handles sales of timber required for house construction and furniture.

It also deals in manglore tiles and other building materials Saw mill is also installed for cutting timber and reduced the operational cost. The total sales of this section in the year 1982-83 was Rs. 9,69,352 and earns an income of Rs. 10,450/-

D. Bombay Branch :

This branch has established itself firmly in the Bombay market and is rendering a variety of services. It has established trade connections with the manufacturers, merchants and other co-operative organizations and the Government Offices in Bombay. It also runs a petrol pump at parel Bombay, where the turnover is proved impressive. The total sales of this branch in 1982-83 was of the order of Rs. 4,64,50,722 and earned profit, to the tune of Rs. 26,031.

IV : 3 : 1. Developments :

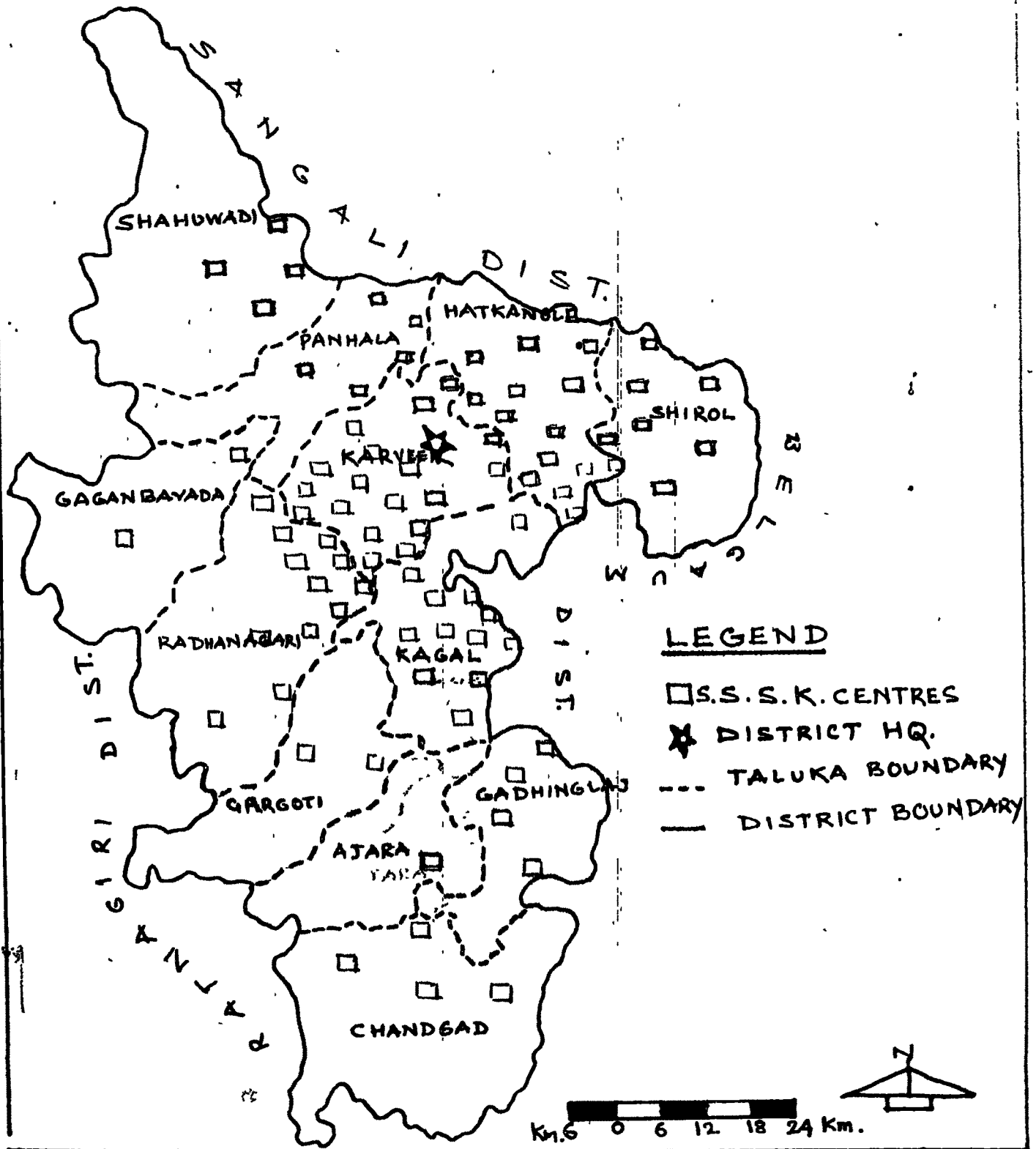
As in other parts of the country, many agriculturists from this area also were practically dependent on the local money lenders or Dalals. Such needy, illiterates were fully exploited and were kept under their clutches. The co-operative credit movement could do very little in reviewing such debt ridden agriculturists from such local sahkars and dalals.

Under such circumstances in the year 1939 shetkari sahkari sangh with 17 societies and 213 individuals as its members started working in the erstwhile Kolhapur state with its area of operation as Karvir, gradually extended the same over to Kolhapur District. To start with, the sangh undertook sale of agricultural produce, fuel oil, ammonium sulphate, fish manure, oil cake etc. On a moderate scale with its limited financial resources. Since there was no sufficient capital and also that such capital was stuck up longely in overdue over a time, the sangh could not make much head way during the first few years.

It was at such crucial juncture the late Shri. T.G. Mohite, took upon himself the responsibility of revitalising the affairs of the sangh by associating as its Managing Director. He was promising man with high co-operative ideals and tremendous drive. Under his directions the sangh started a crusade against the defaulters and recoveries effected in an efficient manner. Along with intensive publicity about the activities of the sangh all possible resources were tapped and deposits raised. Membership increased and deposits raised. Membership increased to 2170 and share capital to Rs. 1.15 lakhs and the dividend was declared at 6½ % for the year 1947-48. The sangh continued its progress year after year by undertaking new activities one after the other and tried to cover almost all the areas of life.

Recently in 1982 sangh got the agency of FACT. From this concern the sangh is getting best quality of fertilizers now a days and public opinion towards the sangh is favourably increasing. During this year only, the sangh also got the agency of SPICK concern. To granular fertilizer plant where bull brand manure mixture is produced by the sangh additional capacity in respect of machinery & capital is added which gave much of the upliftment to the sangh's fertilizer factory. For the welfare of the labourers sangh constructed a rest house and restaurants recently inaugurated by shree. Balasaheb Mane, M.L.A. By taking into consideration the increasing demand of the Bull brand mixture produced by Rudaki plant and its capacity to cope up with the demand the sangh is going to start another fertilizer factory the production of which may satisfy the increasing demand of fertilizers.

DISTRIBUTION OF CENTRES OF SHETAKARI SAHAKARI SANGH KOLHAPUR (1983) [Refer index]



IV : 4 PROGRESS MADE BY THE SANGH.

The sangh is a magnificent success as a business enterprise. As a co-operative it is and should be more than that. It is essentially a co-operative enterprise motivated by the moving force of social purpose. It has been carefully developed by the management as a humanised business. In respect of society member relations and society employee relations that it has built up, the sangh is a model which other co-operatives would follow with benefit. What is equally important and significant in the context of our resolve to build up a co-operative sector to pave the way to a co-operative common wealth, is the co-operation and help given by the 'Sangh' to other co-operative societies in the district.

The history of the progress of the 'Sangh' may be aptly described as a history of sustained, continued and constant endeavour of the management to serve the interest of its members and the general public. The amity that has prevailed between the management and the members from the inception to the present day is a tribute both to the management and the members. The pioneers of the sangh were persons of deep co-operative spirit, inspired by their burning idealism. They were promulgated by missionary zeal, they were men of devotion and dedication. They established the firm foundations of happy society, member relationship. Men who succeeded them have always adhered to the ideals that service of the membership fraternity and maximum public service, should be the motto and motive force of a co-operative society. The management has always endeavoured to give maximum and best possible service. They have indentified themselves with the interest of members.

IV : 4 : 1 Financial Performance :

The trading account, profit and loss account, and balance sheet figures relating to 1940 to 1982-83 are taken to evaluate the sangh's financial performance. With the help of Investment ratio's, profit ratios etc. the financial performance and its ability to meet long term obligations are ascertained.

The financial performance specifically includes investment, turnover, expenditure, income and employment of the sangh since from its inception up till now.

The data relating to the investment, employment, turnover, income etc. of the sangh are compiled and computed in Table. IV : 1.

IV : 4 : 1 : INVESTMENT :

Investment is an expenditure made on capital goods. It refers to the use of an individual or firms savings to acquire capital goods or assets with a view to earn an income. From the point of view of society investment refers to spending on goods and services not for current consumption but for increasing the productive capacity. Investment includes also net foreign investment which is the excess of exports and other items of credit over imports and other items of debit.

Shetkari Sahakari Sangh's investment is having a peculiar character. Its investment activities are wholly based on the co-operative ideology. The investment activities of the sangh includes the following items.

- I. Investments :
1. National saving certificates and savings account.
 2. Debentures.
 3. Government of Maharashtra bonds.

Table IV : 3.
Progress made by the sangh.

Year	Invest- (Rs. Lakh)	Employment		Turnover		Income		Expenditure		Gross Profit Margin Ratio Income x 100 Investment
		No. of Employ- ees	Per head Investment Rs. Lakhs	Amount Rs. Lakhs	Ratio to Invt.	Amount Rs. Lakhs	Ratio to Invt.	Amount Rs. Lakhs	Ratio to Invt.	
1972	87.57	532	0.164	1957.00	2234.78	71.16	81.26	64.86	74.07	3.64
1973	94.56	640	0.147	2244.63	2373.76	83.79	88.61	74.68	78.98	3.73
1974	104.92	701	0.149	2941.32	2803.33	127.67	121.68	116.51	111.05	4.34
1975	119.71	815	0.146	4130.41	3450.35	152.81	127.65	140.95	117.74	3.70
1976	137.87	907	0.152	3993.91	2896.87	138.10	100.17	125.90	91.32	3.46
1977	152.89	970	0.157	3851.82	2519.34	143.76	94.03	131.03	85.70	3.73
1978	168.65	1043	0.161	4068.54	2412.52	147.68	87.57	137.74	81.67	3.63
1979	185.06	1027	0.180	2144.51	1158.82	171.91	92.89	163.67	88.44	8.02
1980	217.23	1057	0.205	2407.41	1108.23	205.62	94.66	197.16	90.76	8.54
1981	247.35	1069	0.231	3497.34	1413.92	224.88	90.92	212.48	85.90	6.43
1982	297.89	1068	0.278	3539.65	1188.25	253.77	85.19	245.99	82.58	7.17
Increase (+)										
Decrease (-)										
1982 over 1972										
A. Amount	+210.32	+536	+ 0.114	+1582.65	-	+ 182.61	-	+ 181.12	-	-
B. Average Growth rate per year.	+ 19.12	-	0.01	+143.87	-	+ 16.60	-	+ 16.46	-	-

(Source: Compiled and computed by the Author from Sangh records)

4. Fixed deposits with K.D.C.C. Banks.
5. Shares of co-operatives.

II. Investment of staff funds :

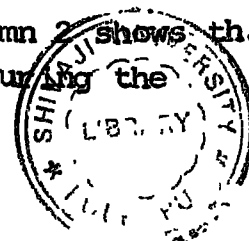
1. Provident fund trusts.
2. Regional Provident fund commissioner.
3. Family Pension Scheme.
4. Employees depot risk insurance.
5. Company deposits.

III. Fixed Assets.

1. Land and building.
2. Sheds.
3. Machinery.
4. Type writers and tools.
5. Diesel fixed assets.
6. Furnitures and fittings.
7. Laboratory.
8. Library.
9. Vehicles.

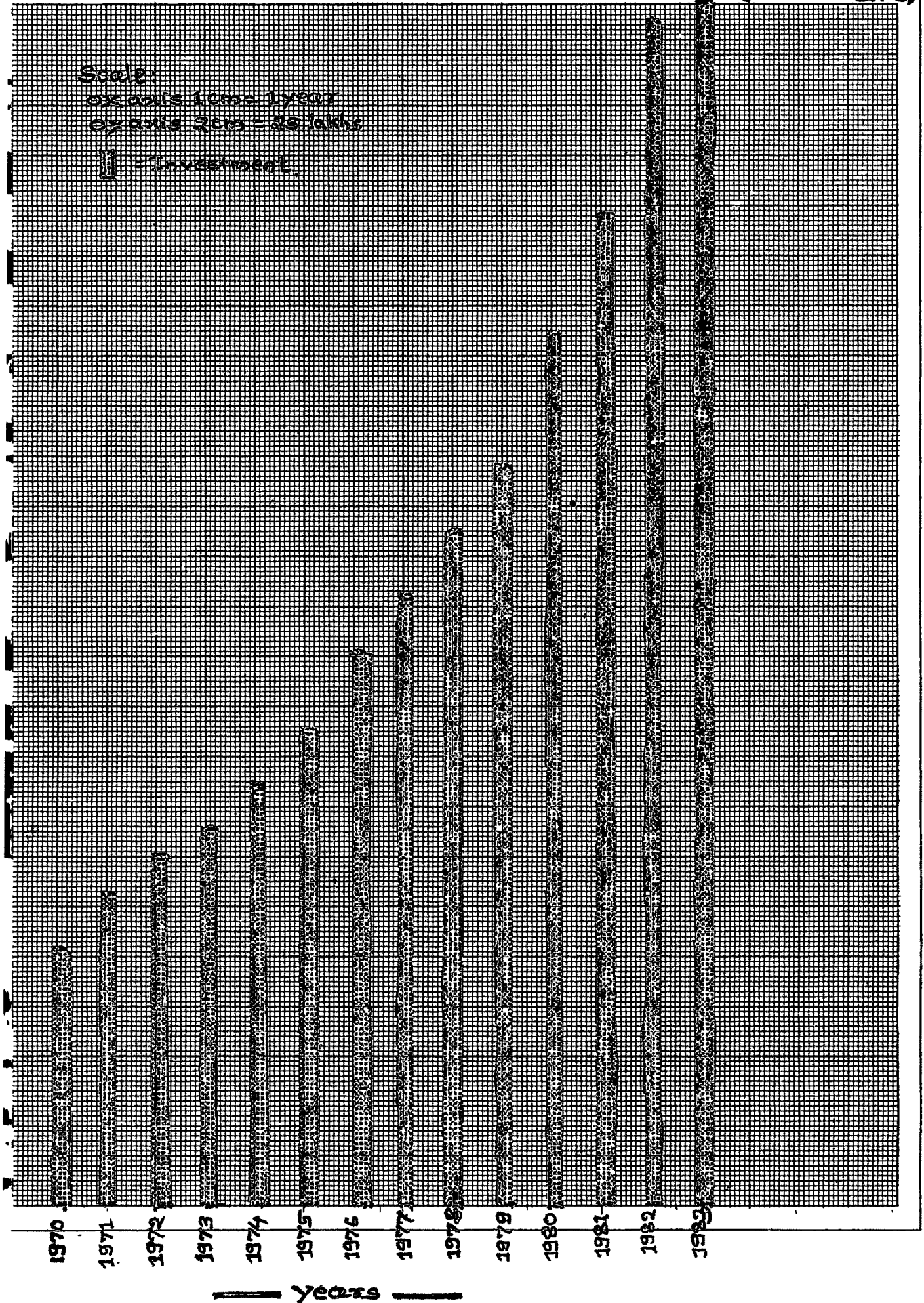
In the initial stages of development sangh has only few of these items on which it started its investment activities. But at present its investment activities are diversified in many ways. Among all the items of investment sangh stress more and more on provident fund trust, land and building, machinery and vehicles.

The data presented in table IV : 3 column 2 shows that the over all investment of the sangh has risen during the period from 1972 to 1982.



INVESTMENT

(Table No: IV:3)



— years —

The special feature of Investment of the sangh was that it has increased more than two times over the period under study as per the table. Within a decade the growth of investment was amounted to Rs. 210.32 lakhs. As per average growth rate per year is concerned it stood at Rs. + 19.12 lakhs.

IV : 4 : 1 : 2 Employment :

Unemployment is the bane of this country. Many persons waste their working age without work. A substantial part of the population finds work only for a part of the year and remains idle for the rest. Unemployment has grave and harmful consequences both for the individuals and the society. Production is low to the extent that available labour does not make any contribution to it. Poverty is the direct result of the lack of opportunity for employment and low level of production. A significant number among the unemployed are educated causing additional wastage of the investment made in their skill and training which are not put to use. The unemployed, in absence of any social security, become victims of such evils as theft, murder and other crimes.

To solve this serious problem Government of India has stressed frequently right from the beginning of the first five year plan. From time to time the significance of providing more employment has been seen from various angles, by raising the standard of living, redistribution of incomes etc. As this problem is more in agriculture, Government is stressing more and more on agricultural sector by creating more investment opportunities to farmers and educated poor in rural areas. Government of India is encouraging co-operative sector which is the stream of creating employment opportunities.

Shetkari Sahakari Sangh Ltd., Kolhapur is the good example in the district which has helped and is helping to solve the unemployment problem in Maharashtra State. It is creating employment opportunities not only to its members but also to other individuals who are related directly or indirectly to the sangh.

Table No. IV : Column No. 3 shows the growth and composition of employment situation of the sangh.

Since inception sangh's employment is increasing continuously. For the purpose of study the researcher has taken into consideration the ^{employment} data's from 1972 to 1982. Sangh's employment has been more than doubled within a decade under study. There is a addition of 536 employees in 1982 over 1972.

In column 4 the researcher has examined the relation between investment and employment. It is observed here that per head investment has increased over a decade under study. In the year 1973 the investment made by the sangh for each worker was only Rs. 0.147 lakhs. But it has increased to Rs. 0.278 lakhs in the year 1982. It shows an increasing burden on the existing employees of the sangh.

IV : 4 : 1 : 3 Turnover :

Turnover means the amount of goods sold during a particular period of time. In other words it refers sales made during a particular period, usually a year. The success of the concern mainly depends on the efficiency of the sales department. The more the turnover the more will be the profit. The profit earning capacity will be increased by selling the goods in large quantity.

How these shops provide communitised at a lower price rate compared to market price has not been mentioned in the project.

Large turnover leads to lesser closing stock. This shows the relationship between the stock and turnover. If turnover is in large quantity we can say that the sales manager is efficient and the stock is not idle, and lesser the turnover more will be the stock maintained by the concern. It is said that more stock is not desirable from the point of view of liquidity and solvency. More stock is nothing but the blocking up of the capital.

We observe a miracle in the turnover of the Shetkari Sahakari Sangh Ltd., Kolhapur. In the beginning the turnover of the sangh was very less, and then it gained momentum in its growth and composition.

Table No. IV : 3, column No. 5 represents the growth and composition of the sangh's turnover from 1972 to 1982. The over all growth of turnover of the sangh between 1972 and 1982 was considerably risen. It was amounted to ^{RS} + 1582.65 lakhs. as in 1982 over 1972 figures. As for as percentage rise is concerned it was equal to ^{RS} + 123.87 ^{lakhs} in the same period.

In column No. 6 the resercher has computed the ratio of turnover to the investment of the sangh. In 1982 a rupee invested in business by the sangh turned out nearly by 11.88 times. Thus there is a over all percentage decrease in the ratio of turnover to investment. The respective figure showing the trends in turnover of the sangh has been attached in the topic.

Information regarding the turnover for the recent years 1980 to 1983 particularly in diversified activities of the sangh are shown in table No. IV : 4. It reveals that the sales in Agro services, consumers, processing, and other sales is increasing continuously. And we find a tremendous decrease in the turnover of agricultural produce like jaggery, tobacco etc.

Table : IV : 4

SHETKARI SAHAKARI SANGH LTD., OLD PALACE, KOLHAPUR.

Information regarding Sales for the year 1980-81 to 1983.

Sr. No.	Particulars	Sales		
		1.7.80 to 30.6.81	1.7.81 to 30.6.82	1.7.82 to 30.6.83
(Rs. in lakhs)				
1.	<u>AGRIL PRODUCE</u>			
	a. Jaggery	212.17	141.46	5.40
	b. Tobacco	<u>2.15</u>	<u>0.92</u>	<u>-</u>
		214.32	142.38	5.40
2.	<u>AGRO SERVICES</u>			
	a. Fertilisers	1139.75	1230.93	1072.49
	b. Petroleum	791.15	956.30	984.71
	c. Iron & Cement	131.97	103.81	169.88
	d. Machinery	74.30	79.43	56.32
	e. Seeds & Insecticides.	<u>53.48</u>	<u>67.80</u>	<u>81.35</u>
		2190.65	2438.27	2364.75
3.	<u>CONSUMERS</u>			
	a. Pharmacenticals	299.48	308.95	276.28
	b. Textiles	143.19	149.90	167.17
	c. Garments	16.86	19.86	26.10
	d. Utensils	99.25	97.92	97.61
	e. Provisions & Cosmetics	55.93	53.13	63.86
	f. Food grain & Sugar	<u>529.60</u>	<u>568.18</u>	<u>625.03</u>
		1144.31	1197.94	1256.05
4.	<u>PROCESSING :</u>			
	a. Oil Mill	32.42	44.53	66.03
	b. Utensil Factory	<u>81.56</u>	<u>74.75</u>	<u>73.66</u>
		138.98	119.28	139.69
5.	<u>OTHER SALES</u>	<u>78.82</u>	<u>86.66</u>	<u>91.04</u>
		78.82	86.66	91.04

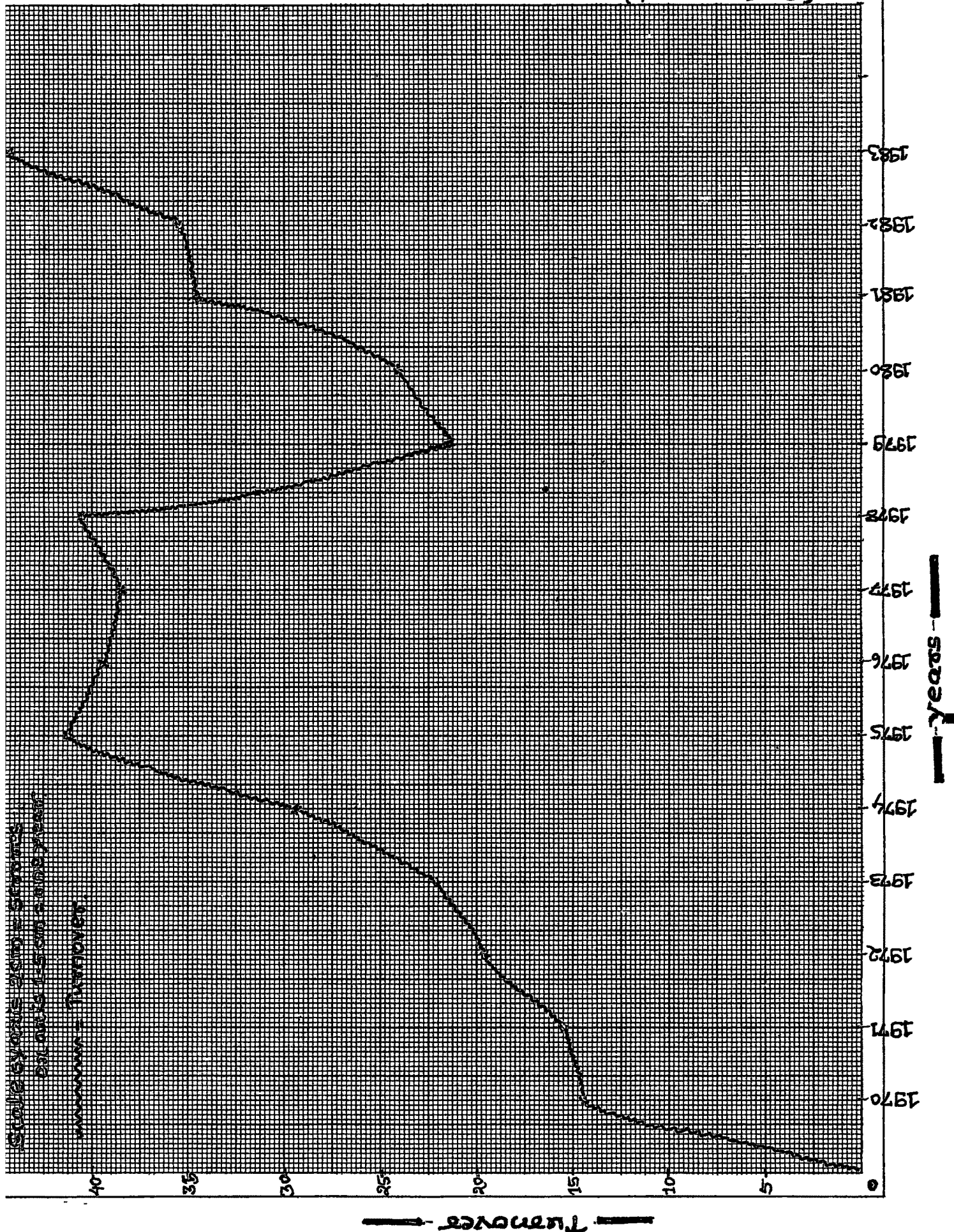
(source; Taken from Sanghs records)

TRENDS IN TURNOVER.

Graph NO: IV: 2

(Table NO: IV: 3)

94



IV : 4 : 1 : 4 : InCome and Expenditure :

Everyone realises the importance of income. If you can know but one fact about a person, income will probably reveal most. From it you can roughly guess political opinions, tastes, and education even life expectancy. Unless a family has a steady stream of money coming in every week, month and year even though it has saintly endurance that family is ill.¹⁴

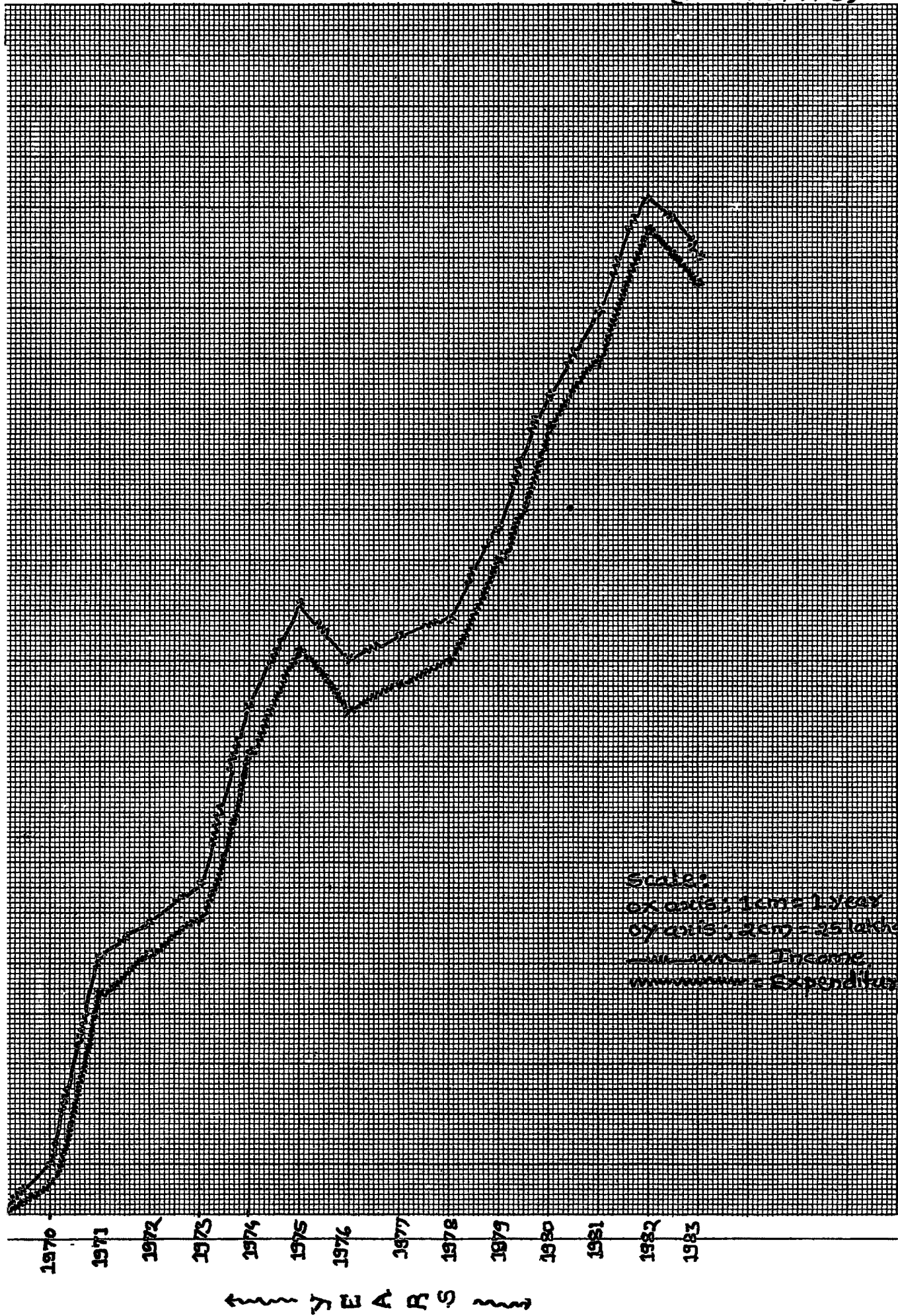
According to Marshall income means the labour and capital of the country acting on its natural resources produces annually a certain net aggregate of commodities, material and immaterial including services of all kinds. Real income in any period consists of the net inflow of goods and services necessities and conveniences of life that accrue during that period.¹⁵

Shetkari Sahakari Sangh Ltd., Kolhapur acquires income from different sources like dividend on shares, transfer fees, stationary, rents from godowns, income from oil mill, printing press, vehicles, trading profit etc.

Expenditure refers to the actual income spent on different items of expenditure to run the concern in a smooth manner. As for as 'Sangh' is concerned, the expenditure items include interest on bank loan, employees salary. D.A. house rent, provident fund contribution directors meeting allowances, printing audit fees, provisions, depreciation, current repairs, sundry expenses like insurance, transport, advertisement, prizes etc. sang as a co-operative concern is spending its income economically and specifically for increasing the welfare of its members.

Table No. IV: 3, column 7 and column 9, indicates the growth and composition of income and expenditure respectively.

(Table No: IV:3)



Scale:
x-axis: 1cm = 1 year
y-axis: 2cm = 25 lakhs
——— Income
- - - - - Expenditure

YEARS

The data reveals the continuous increase of income and expenditure of the sangh during the year 1972 to 1982.

Column 7 reveals that the income which is also called as gross profit of the sangh amounted to Rs. + 182.61 lakhs. in 1982 over 1972 figures. The percentage increase was calculated at + 16.60%

Column 8 indicates the ratio of income to the total investment of the sangh. It reveals that a rupee invested in the co-operative business generated an income which is more than fifteen times on an average within two decades, from its inception. In the succeeding period the income generated was more than 3 times on an average. In all the ratio of income to the total investment was 85.19 % in 1982.

Column No. 9 explains that the increases in expenditure was amounted to Rs. + 181.12 lakhs. And the percentage rise in the expenditure of the sangh from the beginning was 16.46%.

Column No. 10 in the table indicates the ratio of expenditure to the total investment of the sangh. Here a rupee invested by the sangh led to four rupees expenditure in the beginning two decades. And after wards this tendency reduced to 0.83 rupees at present. The over all percentage increase in the ratio of expenditure to the total investment of the sangh was + 82.58% in 1982.

Column No. 11 exhibits the gross profit margin ratio. This ratio explains the relationship between gross profit and the sales, within the period of study between 1972 to 1982 the gross profit margin ratio has increased by + 3.53%.

According to the norms laid down by the Registrar of co-operative, Maharashtra State, gross profit should be at least 9 % of net sales but the actual percentage is below the norms in all the years under study.

IV : 4 : 2 Purchase Policy :

A prudent policy of purchasing ensures purchasing of right type of goods of right quality at right time.¹⁶ Sangh as a ideal co-operative concern is following this type of purchasing policy now a days.

To purchase any artical sangh approaches wellknown manufacturers in order to purchase good quality of commodities. In certain type of articles in whose case manufacturers are not atall available the sangh moves to predominant wholesalers. In rarecases 'Sangh' contects retailers to meet short term demands of the members and the customers. The quantity demanded of all the centres and branches will be brought to discussion in the meeting of the pruchasing committee. After getting the sanction 'Sangh' sends orders and in some cases the concurned members of the sangh go directly and make the purchases of different goods.

In case of huge purchases the 'Sangh' takes suggestions from sales assitants, customers etc, asks quotations from wholesa-
-lers and then prepare compartive statement to the effect, keep it for discussion in the directors meeting. Then according to the guidelines given by the directors the purchases are made. In all the best quality of goods are prefered first while purchasing the good.

IV : 4 : 3 Price Policy :

While fixing prices characteristics of demand, competitors prices, seasonal fluctuations are to be considered. Shetakari Sahakari Sangh fixes the price by . . . , adding five

to seven percentage of profit to its cost. The commodities sold by the sangh to its members and nonmembers are priced reasonably. More or less prices of all the commodities supplied by the sangh are less than the private traders. Some times this varies from commodities to commodities. 'Sangh' as a dynamic concern follows 'Active price policy' to escape from the tricks of private traders, to ensure fair price to its member farmers and consumers and to dispose off the slow moving items. Thus by following a dynamic price policy sangh acts as a agent of price control.

IV : 4 : 4 Achievements (in) aims & objectives :

In order to analyse the achievements in aims and objectives of the 'Sangh' its objectives may be classified into from categories as : -

- | | |
|----------------------------|------------------------------|
| a) Co-operative objectives | b) Economic Objectives. |
| c) Social Objectives. | d) Miscellaneous Objectives. |

a) Co-operative Objectives :

The main aim of the sangh is to develop co-operation among the members which constitute mainly farmers and minorities in Kolhapur District. To achieve this aim the 'Sangh' has laid down different objectives, 'Sangh' is spreading co-operation self sufficiency self reliance amongst the members of the sangh. It has been appointed as a Recognised Agency for Kolhapur District by the Government for distributing of mass consumption necessities. Large scale benefits on bulk purchases are passed on to consumers of the sangh. In all the main aim of the sangh is minimum profit and maximum service to the consumers.

b) Economic Objectives :

To achieve economic objectives 'Sangh' has started 106 branches and 75 depots and distributing centres.

With the help of these branches and depots 'Sangh' supplies to consumers. Pharmaceuticals through seven medical shops in Kolhapur City with night services at Kolhapur and, Ichalkaranji, Cloths through fifteen branches of rural areas, two retail cloth shops and one retail saree shop at Kolhapur. There is a wholesale provision store in Kolhapur through which provisions, cosmetics, plastic goods and presentation articles are supplied. Sangh also supplies utensils, food grains and sugar, sports and resin accessories in large scale. Recently 'Sangh' has started Mini Departmental stores called Shetkari Bazar at Bidri which is in Bidri Sugar Factory area and it is receiving good response from surrounding rural area.

The main aim of the 'Sangh' is to promote economic interest of the Agriculturists by securing better price for their produce and by providing them with agricultural inputs at reasonable prices. 'Sangh' is now operating 19 Adat shops of jaggery and one purchase section and handles about 10 % of the total Gurr arrival in the market. With the advent of tobacco marketing operations in the regulated market recently, the 'Sangh' also entered this new field in pursuance of its policy of promoting the interest of the farmers. Sangh as a challenging concern handled the tobacco business even under unfavourable conditions in order to secure the most reasonable prices for the produce of the agriculturalists. In order to supply inputs like fertilisers 'Sangh' operates two granulated fertilizer manufacturing plants of its own at Rukadi. Arrangements are made to sell " BULL BRAND " mixtures manufactured by it, at uniform prices throughout the District.

Sangh has started two Agricultural Development centres under the supervision of an experienced Agricultural Officers, spray pumps, quality seeds insecticides and pesticides etc are sold through two branches in Kolhapur city and other centres in the District. 'Sangh' also supplies petroleum products, Iron and Cement, machinery spare - parts, Electric Motors, Pumps, bi-cycles etc. to the agriculturalists.

It has a tractor servicing centre for repairing tractors, trucks, cars, machinery and spare parts of agricultural implements.

For day to day activities 'Sangh' takes financial assistance from different financial institutions. Its loans stand for Rs. 117.70 lakhs as per the balance sheet prepared on 30th June, 1983. Out of this major portion of the loan is from Kolhapur District Central Co-operative Bank, which is the main supporting agency for co-operative sector and hence to sangh at all times. The funds are also collected through shares from farmer members. The shareholders amount stands for Rs. 42.96 lakhs in the year ¹⁹⁸². Sangh also provides advances to the produce entered for sale on the basis of produce as a security. By 1982/83 such advances, were Rs. 56.34 lakhs.

C) Social Objectives :

In order to achieve the social objective sangh is helping the farmers, members and the consumers in all walks of their life. It has a team of able, experienced and trained officials who are devoted to this work. As on June, 1983 the strength of the staff is about 1045. Sangh has consistently followed the policy of keeping the staff contented. To increase the welfare of the employees, provident fund facilities, gratuity bonus etc are provided. Food grains, cloths, provisions etc are supplied on credit to the members of the staff upto a limit of 75% of their pay. Medical facilities are given to the members of the staff and their immediate dependents. 'Sangh' keeps certain percentage of income out of profit in the form of a staff welfare fund. There are also other funds like Education fund, staff gratuity fund, co-operative education and charity fund for the benefits of the employees. Recently 'Sangh' is thinking of contributing some percentage of profit for the welfare of the children of the members and the employees. Commission at the time of sales and rebates at the end of the year paid by the Sangh have proved very attractive to the members.

D) Miscellaneous objectives :

There are certain miscellaneous objectives laid down by the sangh as, to start printing press, transport facilities, information bureau etc. Likewise sangh started its own printing press in January 1961. All the printing work required by the sangh is done in the press. Occasionally printing work of other co-operatives also is accepted. Great care is taken to maintain high standards in quality printing. To supply materials to all branches and centres in the city and outside, the sangh has 11 trucks and 8 oil tankers of its own which are engaged in transporting materials required by the centres and branches. The sangh is operating timber depots in response to the pressing demands of several members.

Another ancillary objective of the 'Sangh' is to run boarding and resfaurants for the betterment of the members and the employees. Partly 'Sangh' is sticking to this objective by building 'Shetakari Niwas' for member farmers in the district for limited stay whenever they come to Kolhapur. Due to increasing price of plots, scarcity of land and its clumsy procedures sangh is not able to fulfil this objective effectively. There are also certain other objectives like developing cattle raring centres, running information bureau etc. which are not yet taken into consideration. In all we may say that 'Sangh' is trying and do try to satisfy the laid down aims and objectives. It has achieved major portion from the aims and objectives, laid down in the bye-laws. The S.S.S. also takes interest in promoting Co-operation among co-operatives.

Sangh as a co-operative concern is distributing favours and boons to the public and it is the agent sent by God in Maharashtra to help the public. 'Sangh' is helping wholeheartedly to other co-operative blocks. Sangh is actively co-operative with other co-operatives at local level Tatyasaheb Mhite Hamal and Majadur Sangh, —

'Tatyasaheb Mohite Vittal Hamal and Majadur Sangh' and capitan Deepak Sinda Hamal and Majadur Sangh. There are also certain co-operative units among the employees of the 'Sangh', like Shetakari Sahakari Sangh Sevak Credit Society and Late Shri. Tatayasaheb Mohite Housing Society. These co-operativies are fully supported by the 'Sangh'. We find cordial relation between the 'sangh' and these co-operatives.

IV : 4 : 6 : Inventory Control :

Inventory Control includes control over raw materials, stores, supplies, spare parts, tools, components, assemblies, partly-finished goods and finished goods. Inventory control is a system which ensures the provision of required quantity of inventories of the required quality at the required time with the minimum amount of capital. The function of inventory control is to obtain the maximum inventory turnover with sufficient stock to meet all requirements.¹⁷ It is relatively a new technique for classifying and controlling production and supply items, both purchased and manufactured in accordance with the value of the items involved.

Movement of stocks, deficits mis-appropriation, running out of stock can be ascertained only when there is a sound inventory control system. As a rule the stores should check the stock at the end of each month preferably on holidays. As the 'sangh' did not pay proper attention to the inventory control, it experienced huge stock deficit to the tune of Rs. 40 to 50 lakhs. As it diversified its activities in a large scale inventory control was felt necessary. Accordingly in 1981-82 sangh established a new sub-section in establishment section. Since then its functioning is quite satisfactory. This made the sangh to save rupees 8 to 10 lakhs within two year.

V : 4 : 6 : Salesmanship and advertisement :

Salesmanship may be defined as the art of persuading people to buy goods or services which would give them satisfaction with the help of methods involving the minimum expenditure and time. This is done by the salesman. The most important aspect of salesmanship is the rendering of service. If the customer is guided properly to select goods which will give him satisfaction he will become a permanent customer.

Attracting customers to the stores to a large extent depends upon how salesman respond to the customer's requirements and their conduct with the customers. But the sales Department of the sangh did not give much importance to salesmanship because of its reasonable rates and sale of best quality of goods. Sangh's stores have not paid any attention to the promotion of sales through advertisement. Whenever a new branch or a new counter is opened no publicity is done, some time if publishers of different periodicals come and ask the advertisement then sangh submits it. Sangh personally takes less incentive in advertising its products.

V : 4 : 7 : Profit distribution :

Under co-operative concerns profit is distributed not according to the share holdings but according to the purchases made by the members. This concept is considered to be a practical expression of the non profit character of the co-operative concern.

Shetakari Sahakari Sangh Distributes its surplus according to the conditions laid down in the bye-laws. The 'Sangh' keeps 25% of reserve fund compulsarily out of the total profit, 40% of profit as a special development fund from controlled articles, 9% of the profit as a dividend, and remaining amount will be distributed as education fund, honorarium, building fund, fluctuation fund, dividend equalization fund, contingency fund, staff welfare fund, co-operative education and charity fund,

staff gratuity fund and rebate. Since from its inception sangh distributes the surplus according to the conditions in the bye-laws. Now a days, due to increase in the expenditure, high rate of interest paid to the creditors of the sangh and other contingent expenditures, ^{concentrating more on compulsory} sangh is contributions. The nature of profit distribution of the sangh can be explained with the help of the following table.

Table No. IV : 5
Distribution of profit.

(Rs. in lakhs)

Sr. No.	Items	Total amount of profit distributed					
		1979-80		1980-81		1981-82	
		Amount	Percentage	Amount	Percentage	Am.t	Percentage
1	2	3	4	5	6	7	8
1.	Reserve fund	2.12	25.03	3.10	25.00	1.94	24.97
2.	Special development Reserve (Profit from controlled commodity)	0.94	11.10	0.95	7.66	0.79	10.17
3.	Divident	4.56	53.84	4.69	37.82	4.84	62.29
4.	Honorarium	0.12	1.42	0.12	0.97	0.09	1.16
5.	Contingency fund	0.05	0.59	0.30	2.42	NIL	--
6.	Doubtful debts fund	0.10	1.18	1.70	13.71	0.11	1.41
7.	Staff welfare fund	0.04	0.47	0.05	0.40	NIL	--
8.	Building fund	0.39	4.60	1.25	10.08	NIL	--
9.	Co-operative education and charity fund	0.15	1.77	0.24	1.94	NIL	--
Total		8.47	100 %	12.40	100 %	7.77	100 %

(Source - Compiled & computed by the researcher from the sanghs annual reports.)

The data represented in Table IV : 6 shows the distribution of profit in between 1979 to 1982 by the sangh.

During the year 1979 and 1980 dividends paid to the share holders is highest in the distribution of profit. It stood at about 54 % of the total profit similarly in the year 1980-81 and 1981-82 the share of dividends is more compared to other items. Here it is observed that even though the amount of dividend is greater, amounting to Rs. 469 lakhs in the year 1980-81, as compared to 1979-80 which is equal to Rs. 4.56 lakhs the percentage share of dividends in 1979-80 i.e. 54 % is greater than the percentage share of dividends i.e. 38 % in the year 1980 - 81. It is because, the share of doubtful debts, and building expenses increased by about 14 % and 10 % respectively in this year. So sangh has to curb such unproductive contributions.

The second highest item is the reserve fund whose percentage contribution out of total profit remained more or less similar i.e. around 25 % in the period under study. Next comes the special development reserves which is drawn out of the profit from controlled commodities. It was about 11 % in 1979-80, 7.66 % in 1980-81, and 10 % in the year 1981-82. Next comes doubtful debts, building funds. And the last and least importance was given to co-operative education fund and staff welfare fund. This table enables us to conclude that the pattern of distribution of profit of the sangh concentrates more on dividends and reserve fund. It gave very less importance to staff welfare fund and co-operative education and charity fund which stood at only 2 % of the total profit of the sangh in 1979-80 and 1980-81. In the year 1981-82 these items were completely neglected which are the bases of co-operative ideology.

Importance of the study of fertilizer section of the sangh :

Shetkari Sahakari Sangh Limited Kolhapur is doing all types of activities. It has covered all most all the demands of the agriculturalists as well as the consumers demands in the Kolhapur district. As Kolhapur district farmers commercialised their agriculture now a days the main demand of them for inputs is that of fertilizer. So sangh took much interest in expanding the fertilizer section.

Among all the diversified activities sangh made highest investment in fertilizer section which stood at Rs. 89.50 lakhs in the year 1982-83. We also find the highest turnover of this section in 1981-82, as compared to all other activities of the sangh. So the researcher has chosen fertilizer section of the sangh for the purpose of present study in particular.

Table No. IV : 6

SHETKARI SAHAKARI SANGH LTD., OLD PALACE, KOLHAPUR.

Balance Sheet as on 30th June, 1983.

(Rs. in lakhs)

Sr. No.	Liabilities	Rs.	Assets	Rs.
1.	Share Capital	41.92	Cash in hand & at Bank	46.79
2.	Reserve & other funds	206.75	Investments.	20.53
3.	Provident & Staff funds	126.34	Provident & Staff fund	117.20
4.	Deposits	100.60	Current Assets	309.41
5.	Govt. Loan	39.17	Fixed Assets	91.22
6.	Bank loans	78.53	Sundry Debtors.	196.42
7.	Sundry creditors & unpaid dues.	174.59		
8.	Net profit	13.67		
	Total	781.57	Total	781.57

Source: Taken from Sangh's Tates



Table No. IV : 7

SHETKARI SAHAKARI SANGH LTD., OLD PALACE, KOLHAPUR

PROFIT & LOSS ACCOUNTS OF THE SANGH YEAR ENDING 30TH JUNE 1983

(PROVISIONAL)

(Rs. in lakhs)

S.No.	Expenditure	Rs.	Income	Rs.
1)	Interest & Commission	43.69	1) Interest received	2.13
2)	Employees' Salary, D.A. HRA, Daily wages, P.F. Contribution Gratuity Premium & T.A.	101.00	2) Divident on Shares	0.42
3)	Managing Director and Board of directors Meeting allowances and T.A.	1.89	3) Commission of Adat Sales	20.30
4)	Rent, Rates Taxes.	8.36	4) Misc. Income	14.48
5)	Postage, Phone & Gram. Expenses	2.69	5) Printing Press & Vehicles Deptt.'s Income.	24.11
6)	Printing & Stationery	9.36	6) Trading Profit.	182.04
7)	Audit Fees.	2.59		
8)	Provisions	3.72		
9)	Depreciation current repairs & Misc.Purcha- ses.	16.24		
10)	Sundry Expenses	20.18		
11)	Vehicles Deptt's.	20.09		
12)	Net Profit	13.67		
	TOTAL Rs.	243.48	TOTAL Rs.	243.48

(Source : Taken from Sanghs latest records.)

References :

1. Main, Report : All India Grain storage and Distribution ; Administrative staff college of India Oct, 1976, P. 85.
2. Dandekar V.M. & Nilakantha Rath, Poverly in India, Indian School of political economy 1971. P. 150.
3. Ibid. P. 152.
4. Arvind Gupta, Public Distribution of food grains in India : Monograph No. 69, Indian Institute of management Ahmadabad P. 23, .
5. Ibid P. 25.
6. Uma. J. Lele, Food Grain Marketing in India popular Prakashan Bombay. P. 1.
7. All India Grain storage and Distribution Main report op. cit. P P. 21-22.
8. Dr. Saxena A.K. A study of consumer co-operation movement in India, Indian Journal of marketing Spt. Oct. 1979 P - 3.
9. Ibid, P. 5.
10. Nihillesh Dholakia & Rakesh Kurana Public distribution system op. cit. P - 4.
11. S.L. Shirodkar, A Great co-operative Enterprise Shetakari Sahakari Sangh Ltd., Kolhapur. (1969) P. 1.
12. Note of Shetkari Sahakari Sangh Ltd., Kolhapur edited by the sangh. P. 2.
13. Annual Report 1980-81, Shetakari Sahakari Sangh Ltd., Kolhapur.
14. Paul A. Samuelson, Economics (1980) P. 75.
15. A.C. Pigou, Income An introduction to economics P. 2.
16. Indian co-operative review oct. 1980. vol. XVIII P. 16.
17. B.K. Bhar, Cost Accounting methods & problems. (1978) P. 60.