

CHAPTER : VI

CONCLUSIONS & SUGGESTIONS

VI : 1 FINDINGS AND SUGGESTIONS.

Shetkari Sahakari Sangh Ltd., Kolhapur was, thus, initially established as a marketing society however with passage of time, it had to undertake a large number of economic activities in order to protect interest of its members as well as the society at large. In a rapidly developing planned economy like India where heavy investment is made in basic and key industries and infrastructural facilities, stresses and strains are generated in the economy especially on account of imbalance in the development of capital goods industries and consumer goods industries. As a result a large number of consumer goods become scarce on account of their short supplies. Under such conditions when the sangh observed that the masses were hit hard, it was compelled to step forward and accept new responsibilities with a view to face new challenges. As this process continued over time, the number of activities undertaken by the sangh increased very rapidly covering various fields of economic life, like, procurement and distribution of fertilizers; manufacture and distribution of manure mixture, supply of machinery and spare parts thereof, electrical goods, petroleum products, textiles, rexin and accessories, sports materials.]

The Sangh also took deep interest in developing allied activities like timber depot, printing press tractor service centre, transport section etc. Thus at present the sangh not only serves the consumers interests but also aims at promoting co-operative activities in the economy with the help of its twenty two various activities through the medium ^{of} its 108 branches and centres throughout the twelve talukas of Kolhapur district, having a turnover of about Rs. 44.69 crores by the end of June 1983.]

Taking into consideration the important role played by Shetakari Sahakari Sangh Ltd., in the economy of Kolhapur district it was selected for the purpose of study. At present on account of the various activities undertaken by the sangh it developed into a complex organizational structure. In order to study in details and arrive at concrete findings and suggestions, its one of the major activities i.e. production and distribution of Bull Brand Fertilizer was selected for the purpose of present study.

The relevent data relating to the various aspects of Shetakari Sahakari Sangh was collected and interpreted in the forgoing pages which enables us to arrive at certain findings as mentioned below. For the purpose of convience these findings may be summarised under the heads like financial, production, marketing, personal and general.

1. \hookleftarrow (When we take into consideration the findings relating to finance of Shetakari Sahakari Sangh Ltd. it may be observed that there is a wide fluctuation in the rate of profit, earned by the sangh. Still the total dividend paid to its shareholders remained constant. (Table No. III : 3). The gross profit margin ratio has increased only by 3.53% during the period, 1972 and 1982 of the sangh. According to the norms laid down by the Registrar of co-operative societies, Maharashtra State the gross profit should be at least 9 % of the net sales, but the actual percentage is below the norms in all these years (Table No. IV:4) So sangh has to pay more attention and make an attempt to achieve the norm laid down by the co-operative department.

\hookleftarrow Further it is observed that the investment per employee is increasing steadily. In the year 1973 the investment made by the sangh for each worker was only Rs. 0.15 lakhs. But it has increased to Rs. 0.28 lakhs by the end of the year 1982 (Table IV : 4). It indicates that the responsibilities on the part of employees are steadily increasing.

Table No. III : 2 shows that the working capital is increasing at a higher rate than the rate of growth of the share capital. In order to maintain financial stability the sangh should take necessary steps to increase its share capital by increasing its membership so as to promote co-operative spirit among the masses.

The study of the distribution of profit among the different items of the the sangh reveals that some of the co-operative concepts like co-operative education and staff welfare funds were given less importance. In recent years they are completely neglected which shows change in the attitude of the sangh which is becoming business minded rather than co-operation minded. (Table No. IV:6). In this context it may be suggested that the sangh is basically a co-operative organization and too much emphasis on commercial attitude may not help it in implementing and promoting co-operative activities in the economy. [It should take a lead in the development of co-operative personnel of the kind required by the community by way of promoting co-operative education and training.] <

Similarly expenditure on staff welfare is given much importance in modern times especially in the economy suffering from chronic inflationary conditions. [The sangh should realise that such expenditure is also indirectly productive and hence it should take interest in promoting staff welfare.] <

2. Taking into consideration the marketing activities of the sangh it is observed that at present the sales staff is not oriented towards paying full attention to maximise consumers satisfaction. So the existing staff needs to be trained on scientific lines which will help, not only to promote aggregate sales of the 'sangh' but also will lead to increase in consumers satisfaction.

Although the purchase policy of the sangh is relatively sound sometimes it is observed that excess purchases are made by the sangh. To avoid this sangh opened an inventory subsection in 1981-82. The concerned officials of the sangh are visiting the branches and centres after a relatively long span of time. Physical presence of the officials while checking the stock at a godowns at frequent intervals seems very necessary. Also proper maintenance of storerooms to avoid pilferage, evaporation etc. will help to ensure proper inventory control.

(It is observed that there is no market survey data available with the sangh as far as granulated fertilizer is concerned.) (It is therefore necessary to arrange for latest market information which will help to control its marketing activities more efficiently.) §

When the price fixed in respect of bull Brand Granulated fertilizer 15:5:5 was critically examined, it was observed that the price fixed by the sangh for this grade at present seems to be relatively reasonable and fair. Our experience of regression analysis helps us to conclude that the price per metric tonne arrived at was Rs. 1487.50 as compared to the actual sale price of Rs. 1485.00 per metric tonne (Table No. V:4). However there seems to be a sufficient scope for reducing the price still further by increasing the efficiency of production of the fertilizer, so as to enable the farmer members to increase their consumption of fertilizers for production of various crops and achieve ^{an} increase in the productivity.

3. When we take into consideration the findings relating to production it is observed that there are wide fluctuations in the value of production turnover and profit especially in the year 1972-73 (Table No. V:2). It may be due to lack of demand for fertilizer on account of shortage of purchasing power with the farmers, inability of farmers to approach the sangh etc. In order to avoid such problems sangh should encourage direct supply of fertilizer to the member farmers, by opening large number of distribution centre.

In the process of production of bull brand granulated fertilizer 15:5:5 sangh has to acquire different inputs like ammonium sulphate, urea, dolomite powder etc. from different sources. It is observed that some times, some of these inputs may not be available for production of granulated fertilizer 15:5:5. As a result the production comes to stand still leading to increase in the total cost. Under such circumstances sangh has to change the formula from time to time and select the near substitute which is readily available for production of granulated fertilizer.

Sangh uses dolomite powder for the granulation of 15:5:5 which is bought from different units like sharad Minerals Chhota Udyapur, Fertichem Industries, Kolhapur etc. In order to reduce the cost per tonne of fertilizer 15:5:5 the 'sangh' should manufacture this input by investing some capital in production of it, as the production method of this input is very simple.

Sangh prepares gunny bags by itself with traditional methods like hand stitching of bags, hand printing of particulars on the gunny bags, use of low quality polithin etc. In order to avoid additional cost due to old methods the fertilizer unit of the sangh should introduce automation in the methods of production. It may adopt automatic stitching of gunny bags, screen printing with the help of modern machines and use the limited high density polithin.

The fertilizer unit of the sangh brings water from long distance to spray over gunny bags in order to avoid the problems created by loss of moisture, loss of Nitrogen Contents etc. Large amount is spent simply in transporting water from river to granulation factory which adds to the unit cost of granulated fertilizer. In order to eliminate this burden of cost sangh should construct storage tank of its own near the manufacturing unit.

It may provide boring facilities wherever necessary so that the unit cost can be reduced.

The fertilizer unit of the sangh faces seasonal difficulties year by year. In the slack season of september and october sangh has to stop production of fertilizer. In the boom periods of January, February the demand for granulated fertilizer 15:5:5 becomes greater than actual supply. To bridge this gap it is necessary to provide storage facilities and even expand the scale of present production. There is also a necessity of undertaking of market survey of 15:5:5 grade fertilizer at Taluka levels, regarding quality of demand amount of supply seasonal variation in temprature, change in demand etc.

4. When we take into consideration the findings relating to the personal aspects it is observed that the membership of the 'Sangh' of both 'A' and 'B' class shows an increasing trend. But taking into consideration the requirements of the Kolhapur economy and task which the 'sangh' is facing there is a need to increase membership of sangh by making it more popular because even at this rate of growth of membership of the sangh, it covers hardly 0.02% of the total population of Kolhapur district which stood at around 23 lakhs according to 1981 census. (Table No. III :1)

As a co-operative concern 'sangh' gave seats for the respresented members of all types in the constitut--ion of Board of directors. As per Government direction sangh provided a seat to a backward class member in the board of directors since 1979. But here it is observed that there is no participation of woman members in the constitution of Board of Directors and in other diversified activites, like telephone, operating, accounting, selling etc. Therefore the sangh should encourage woman participation which will be of emence help for the successful functioning of the sangh and increasing its popularity.

5. Lastly the general conclusions and findings of the sangh may be analysed. It is observed that now a days sangh is mixing business objectives with those of social welfare. The type of annual reports prepared by the sangh are no different from private sector organizations. It gives usual balancesheet and profit and loss accounts, and minimum account of welfare and co-operative benefits. (The sangh being the leaders of the co-operative activities in the economy, should pay increasing attention in promoting and developing co-operative activities in the economy and these may be given in details in their Annual Reports.

Sangh is doing every effort to accomplish its aims and objectives laid down in the bye-laws. Some of the objective-like providing boarding and restaurant facilities to the employee developing cattle rearing centres, running information Bureau, educational benefits to the childrens of the employees etc. have not received sufficient attention. As the sangh is famous not only in Maharashtra State but all over India, it's popularity will still increase if it will provide these facilities to its members and the employees.

The sangh has done a good job in the past and there is tremendous scope for improving its efficiency at present. Once it is achieved it will work as an ideal co-operative organization for others to follow.

VI : 2 Problems for further reseach in this field :

Sangh is providing with so many fields in which a competent researcher can do an, effective investigation. They are given below.

1. Labour absenteesm in co-operative concern.
2. Enterprenuership in co-operative markets.
3. Performance of Bombay branch in the international market.
4. Price leadership with special reference to Shetakari Sahakari Sangh Ltd., Kolhapur.
5. Working of utensils Factory of the 'Sangh'.