

CHAPTER - III

ADMINISTRATIVE ORGANISATION AND ITS WORKING

In this chapter an attempt is made to understand mainly the administrative and organisational set up of HALSUGAR factory with a view to understand the division of labour in this factory. To do so an understanding of the functions entrusted to the Board of Directors and the key officials in the factory is essential. This will help us to understand the decision making procedure in this factory. The role of various committees with the help of which this factory functions is also taken into consideration. In other words, this chapter reveals the motive force behind actual functioning of this factory and the problems encountered in its working. This chapter is a prelude to the succeeding chapter in which specific problems are discussed.

The quality of management in a sugar co-operative plays an extremely significant role in improving the productivity of sugar cane and thereby quantity and quality of sugar. A co-operative sugar factory is basically a processing unit undertaken by the cane producers as a mutual service. Hence, let us try to understand the objectives of HALSUGAR.

OBJECTIVES OF HALSUGAR :

i) To render mutual processing service and to obtain for the producers the margin that would derive from the sales of processed goods at the end. While framing the constitution of co-operative sugar factory much emphasis has been laid on the objective of protecting / ^{and} promoting the interests of cane growers.

ii) To encourage proper development of agro-industries amongst their members on co-operative lines by introducing modern methods of agriculture and by promotion of principles of co-operative farming methods so as to secure best advantages of modern large scale agricultural production to the owner or tenant cultivators of land. For that purpose certain well defined objectives laid down through byelaws.

iii) To advance loans to farmers to improve their agriculture.

iv) To manufacture sugar and its by-products out of the sugar cane supplied by the members.

Thus, it can be seen that HALSUGAR is interested in taking care of all the necessary activities which are required for the smooth organisation of the factory and helping the cane growers in the area.

MEMBERSHIP PATTERN :

The members of the factory are real backbone's of the sugar factory. HALSUGAR factory in Balgaum District has mainly four types of members who are called as class A, B, C, and D members. How the members are classified is discussed below.

(a) GROWER MEMBERS OF CLASS 'A' MEMBERS :

A farmer who grows sugarcane can become a grower member of a co-operative sugar factory in the area concerned. The grower members constitute the most important part of the organizational structure of a sugar co-operative. They are also the main beneficiaries of the co-operative sugar factory. They can be considered as the back bone of the sugar co-operative. In this category HALSUGAR has got 8681 members. From this category 11 members represented on the Board of Directors.

(b) INSTITUTIONAL MEMBERS OR 'B' CLASS MEMBERS :

This membership is open to institutions and firms to apply for membership of the sugar factory. The co-operative societies of various kinds such as co-operative credit and consumers societies have been enrolled as members of the sugar co-operatives to facilitate better supply of credit and fertilisers and other

important agricultural inputs by establishing co-ordination between the activities of the sugar factory and those of other co-operative societies in the area concerned. In this category HALSUGAR has got 70 members.

The institutional members are represented on the Board of Directors by one person alone. He generally co-ordinates the work between the factory and the various societies.

(c) STATE GOVERNMENT MEMBERSHIP OF OR 'C' CLASS MEMBERS :

State government contributes the share capital and also stands as guarantee for Loans borrowed from the central Financial agencies such as I.F.C.I., I.D.B.I. and L.I.C. etc., on behalf of the sugar co-operatives. In case, where the share capital or its standings as a guarantee ceases, the state government would also cease to be a member. Three directors are represent on the Board of Directors on the behalf of state government.

II) NON GROWERS MEMBERS OR 'D' CLASS MEMBERS :

This membership is open to individuals who are not growing sugar cane in the operating area of a sugar co-operative. The purpose of non-grower members in the sugar co-operatives is to enlist

the support of as much persons as possible having some experience in business and industry. In this category HALSUGAR has got 1889 members. From this category, one is represented on the board of Directors.

The Table No. 3.1 gives in details the trends in the membership of sugar factory between 1986-87 and 1992-93 in HALSUGAR.

Table No. 3.1 shows the Trends in Membership from 1986-87 to 1992-93.

Sr. No.	Years	'A' Class Members	'B' Class Members	'C' Class Members	'D' Class Members	Total
1.	1986-87	3413	37	1	912	4363
2.	1987-88	3413	37	1	912	4363
3.	1988-89	4222	42	1	1063	5328
4.	1989-90	5043	46	1	1217	6307
5.	1990-91	6512	48	1	1514	8075
6.	1991-92	8681	70	1	1889	10641
7.	1992-93	8681	70	1	1889	10641

Source : Annual Reports of the Factory.

Table No. 3.1 reveals that 'A' class members are more because they are the backbone of the factory. The factory was mainly established for their development. It can be seen that the membership of the factory which stood at 4363 as on 3.9.1987 has increased to 10641 or increased three times as on 31.3.1993. In other words within 6 years duration membership nearly tripled. This is due to the fact that the sugar cane growers who join the sugar co-operatives get the following benefits.

- 1) An assured market for their sugarcane at fixed prices.
- 2) Supply of fertilizers and pesticides etc.
- 3) Crop loan and cash credit facility.
- 4) Supply of agricultural equipments such as tractors, pump sets and bulldozers etc.
- 5) Supply of better and diseasefree cane seeds.
- 6) Timely harvesting and transportation of cane of factory costs.
- 7) Availability of sugar to the grower members in low price.
- 8) Latest, scientific knowledge, guide lines towards high yield of sugar cane.

In the same way membership of class 'B' and 'D' doubled. This indicates that the sugar factory is successful enough to attract people of the Locality.

SHARE CAPITAL :

The share capital is the main source for the foundation of the factory, Table No, 3,2 shows the share capital of HALSUGAR,

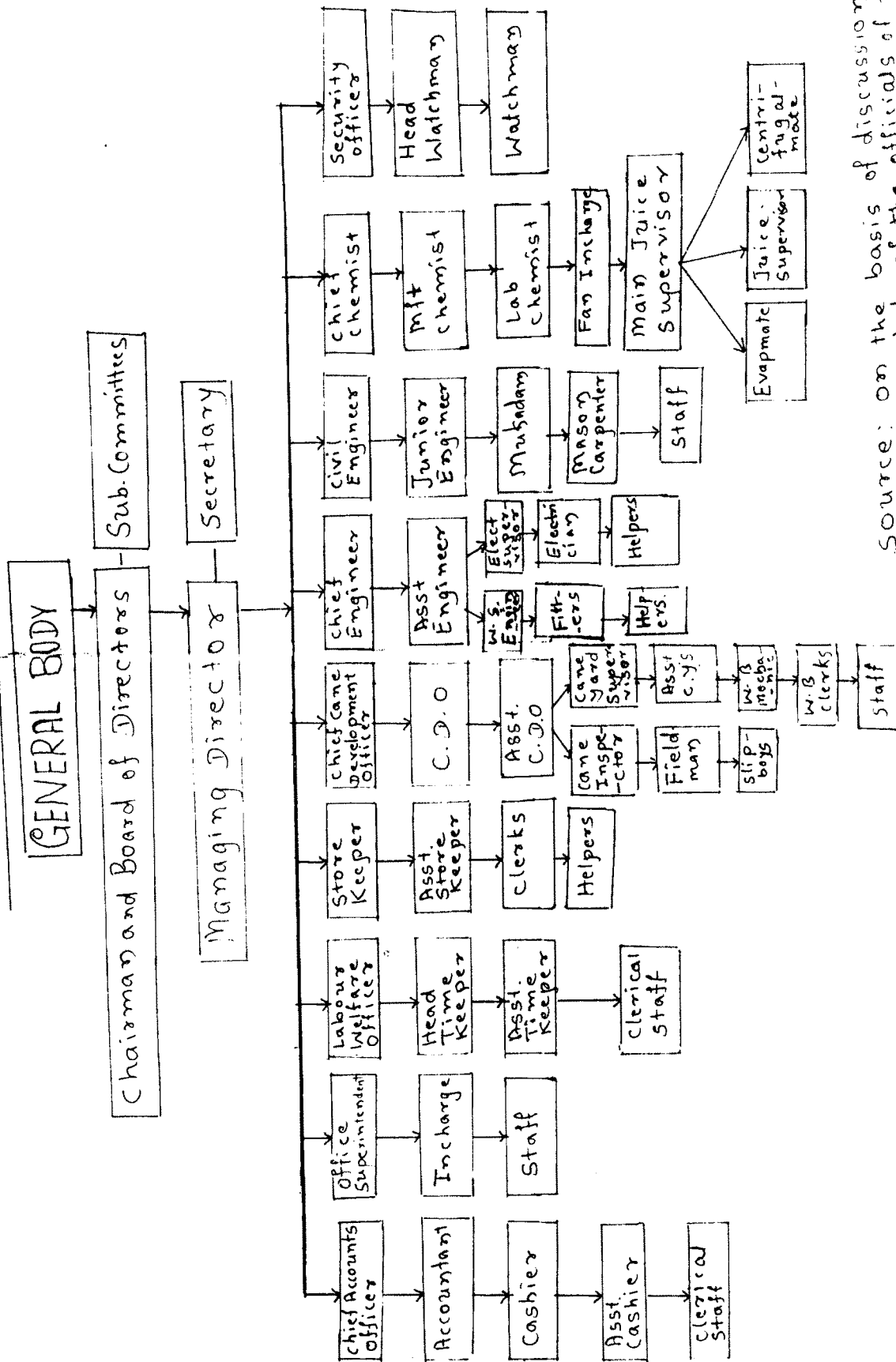
Table No, 3,2 showing

Share Capital contribution from different categories of membership,

Years	'A' Class members Rs,	'B' Class members Rs,	'C' Class members Rs,	'D' Class members Rs,	Total members Rs,
1986-87	34,09,250/-	94,000/-	3,75,82,000/-	9,16,000/-	4,20,01,250/-
1987-88	34,09,250/-	94,000/-	3,75,82,000/-	9,16,000/-	4,20,01,250/-
1988-89	34,09,750/-	94,000/-	3,75,82,000/-	9,16,000/-	4,20,01,750/-
1989-90	50,53,250/-	1,18,000/-	3,75,82,000/-	12,06,000/-	4,39,61,250/-
1990-91	68,23,250/-	1,18,000/-	3,75,82,000/-	12,06,000/-	4,57,29,250/-
1991-92	86,78,250/-	1,41,000/-	3,75,82,000/-	18,93,000/-	4,82,94,250/-
1992-93	86,78,250/-	1,41,000/-	3,75,82,000/-	18,93,000/-	4,82,94,250/-

Table No, 3,2 reveals about the share capital position of HALSUGAR from 1986-87 to 1992-93 which increased from 42001250 Rupees to Rs, 48294250 for the corresponding period, This indicates that the factory is making effort to raise share capital, Now let us acquaint ourselves with the organisational structure of this factory,

CHART NO I ORGANISATIONAL CHART OF HALSUGAR



Source: on the basis of discussion with the help of the officials of the HALSUGAR.

Chart No, I shows the organisational structure of the HALSUGAR, Chart No, I reveals that the General Body is the supreme body which elects its own directors to manage the affairs of the factory, The managing director is also subordinate to the Board of Directors, Managing Director can act according to the rules of Government even though sometimes it goes against the wishes of Board of Directors,

THE GENERAL BODY :

The General Body consists of all members of the factory, It is also known as " Supreme Assembly "¹ or " Supreme Authority"² of the factory in which ultimate power lies, The Ultimate control rests with the General Body of the members of the society,³ All the policy matters like investment of funds, programme management and distribution of profits are subject to the approval of the General Body,⁴ It is through the General Body meeting that members review the policies and programmes, of the Board of Directors and have opportunities to ask questions to acquaint themselves about the working of the society, to offer suggestions and to amend the byelaws as and when needed, The General Body meets annually with-in 3 months after closing of its accounts, It may also meet for transacting any business, It also approves annual programmes, election to Board of Directors, consideration of annual report as specified under section 27 of the

Karnataka co-operative societies Act 1959. All these matters are transacted in the annual General Body meeting. For the meeting of Annual General Body normally 14 day notice is required and in case of special General Body meeting 10 days notice has to be given in writing to all the members. The period of notice is laid down in the bye-laws. The notice must specify the date, hour, place, fixed for holding the meeting and ^{the} business to be transacted at the meeting. A minimum number of onetenth of the total membership is prescribed for formation of the quorum for the meeting. The Table No. 3.3 shows the Date war meetings of General Body.

Table No. 3.3 showing
Date war meetings of General Body.

Sr. No.	Name of Meetings	For the year	Date of Meetings
1.	First Annual General Body Meeting.	1980-81 1981-82 & 1982-83.	26.10.1983.
2.	Second Annual General Body Meeting.	1983-84 1984-85 & 1985-86.	31.10.1986.
3.	Third Annual General Body Meeting.	1986-87 & 1987-88	27.10.1988.
4.	Fourth Annual General Body Meeting.	1988-89 1989-90 & 1990-91.	30.8.1991.
5.	Fifth Annual General Body Meeting.	1991-92	17.1.1993.
6.	Sixth Annual General Body Meeting.	1992-93	30.9.1993.
7.	First Special General Body Meeting.		29.5.1981.
8.	Second Special General Body Meeting.		20.5.1992.

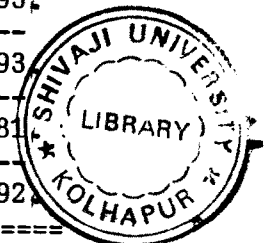


Table No. 3.3 reveals that 6 Annual General Body Meetings and Two Special General Body Meetings were held. This makes it clear that General Body Meetings are held irregularly as one General Body meeting per year is compulsory as per rules. However crushing of sugarcane started only in 1986 and since then they were held more or less regularly. First special General meeting was held to discuss share capital and to establishment of the HALSUGAR. The second Special General Body meeting was held in the year 1992 (May) to elect a new Board of Directors. The numbers of special General Body meetings were not more. This may be due to that the factory is functioning smoothly. The minutes of the meetings recorder by the secretary are kept at the office of managing director.

SPECIFIC FUNCTIONS OF GENERAL BODY :

1. To consider and record the proceeding of the Annual General Meeting for the preceeding year.
2. To read and consider the report on the working of the Karkhana placed by the Board of Directors.
3. To consider the audit report and audit rectification report for the year.
4. To receive and adopt the financial statements of the Karkhana for the year.
5. To approve the budget of the Karkhana for the year.

- 6, To consider amendment to the bye laws of the Karkhana,
- 7, To appoint local Auditor and to fix his remuneration,
- 8, To consider any other subjects with the permission of the Chairman,
- 9, To elect the Board of Directors,
- 10, To approve distribution of profit,
- 11, To consider audit memorandum and audit rectification report from the Board,
- 12, To consider the annual programme of the factory for the next year prepared by the Board of Directors,

BOARD OF DIRECTORS AND THEIR FUNCTIONS :

Board of Directors plays a very important role in the Management of the factory. The Board of Directors of Sugar factory are elected from the total members of the factory and as such they are the representatives of the members. Out of a total No. of 17 Board of Directors 13 members are directly elected by the members of sugar co-operative and three are nominated by the State Government. The State Government also nominate one person under the provisions of the co-operative societies Act, (Section 29 of the 1959 Act of the Karnataka co-operative societies). The number of State Government

nominees is normally less than one third of the directors. Among the three state government nominees one is the Managing Director who belonged to I.A.S. or senior K.A.S. cadre.

QUALIFICATIONS OF BOARD OF DIRECTORS :

To become a Director of factory one must have following qualifications :

1. He must be a member of factory.
2. He should have attained the age of 25 years.
3. He must be free from debt of factory.
4. He should not be bankrupt or insolvent.

The Board of Directors, is elected by and is also responsible to the General Body. It derives power from the General Body and is accountable to it. The Board of Directors are primarily responsible for safeguarding the interest of the members. The major role of the Board of Directors is of formulation of the policies, programmes, appointment of staff and to carry out these policies and programmes as approved by the General body.⁵ Some of the decisions of the Board are subject to the approval of the General Body. For example expansion of the factory, recruiting technical personnel appointing local auditor etc. All policy decisions are taken by the Board. For instance it decides on the matters pertaining to

the appointment of staff, sale, and purchase of goods, construction and maintenance of various units of the factory and all other important matters. Thus Board of Directors enjoys wide decision making powers in this sugar co-operative.

COMPOSITION OF THE BOARD OF DIRECTORS :

The Board of Directors shall consist 17 directors as under byelaw No. 21(1) A. The representation of the members and others on the Board is as under.

- a) 11 Directors represent the grower members Bye law No. 5 (a).
- b) Two Directors, one each represent non-grower members and co-operative societies byelaw No. 5 (b) (d).
- c) Three Directors are represent on the Board by the state government including the Managing Director.
- d) The central financial agency will have one nominee on the Board.

But it is not compulsory. In this factory central finance agency has not nominated any one. In addition to 17 Directors mentioned in the bye law No. 21(1) A the Industrial Development Bank of India, Industrial finance Corporation of India and Industrial credit and Investment corporation of India shall have a right to appoint and remove from time to time one nominee each on the Board of Directors of the society. Such nominee being non rotating and not permitted

to hold any share during the time in which the society has borrowed funds from the Industrial Development Bank of India, Industrial finance corporation of India and Industrial credit and Investment corporation of India. The Life Insurance co-operation shall have a right to appoint and remove from time to time one nominee on the Board of Management of the society. None of the above agencies nominated any one on the Board of Director so far.

The Managing Director is an ex-officio member of the Board. He is a salaried employee appointed by the state government on deputation basis. He is of the cadre of I.A.S. or K.A.S. and paid by the factory and not by the government. The present salary scale of Managing Director is 8320/- per month. (Basic 4550, D.A. 3150, Depreciation Allowance 120, H.R.A. 300, I.R. 200.)

POWERS AND FUNCTIONS OF BOARD OF DIRECTORS:

The Board of Directors exercises the powers with in the framework of the provisions of the co-operative societies Act 1959 and 1965 and the rules framed there under and the bye-laws of the factory and the resolutions passed or guidelines issued by the general body from time to time. They are generally as follows.

1) To dispose off the application for membership, transfer and allotment of shares. The Board has the power to grant or refuse

admission or transfer of shares, The decision of the Board is communicated to the party within seven days of the decision,

2) To receive or deposit for a fixed period and raise or borrow loans from time to time, Such sums of money as may be required for the purpose of the society, to such an extent and upon such conditions as the Board thinks fit as per byelaw No, 4(iii) and (iv),

3) To appoint, suspend or dismiss the staff of the factory as per Karnataka Co-operative Societies Act and Rules,

4) To appoint sub-committees of five Directors if necessary for facilitating work of different departments,

a) The sale sub-committee be constituted and if necessary to include a representative of the factory employees invitee apart from Directors,

b) Other sub committees be constituted to include two grower members as invitees apart from five Directors,

5) To approve annual report, balance sheet, budget and the programme of work to be placed before the General meeting,

6) To fix the price for the purchase of sugarcane and the terms and conditions there of,

7) To nominate Directors on the executive committee,



8) To fix the rates of travelling allowance daily allowance and sitting fees of the Directors for attending the meetings of the executive committee of the Board of Directors or any other sub committees appointed by the Board subject to the maximum rates as prescribed under Rule No. 21-A of the Karnataka co-operative societies Rules 1960.

9) To frame rules and regulations for the proper conduct of the business of the factory with the approval of the registrar.

10) To arrange for agreements being executed by grower members prohibiting them from alienation or creation of charge on their lands.

11) To allocate any financial and contractual powers between the executive committee and the Managing Director.

12) The Board of Directors may frame rules in respect of deposits to be accepted from members subject to the approval of the Registrar of co-operative societies.

13) To appoint bankers for payment of cane price.

14) The Board of Directors may frame services rules, provident fund, Rules of the staff, subject to the approval of the Registrar of Co-operative societies.

15) Subject to the directions if any given by the General Body,

- a) To acquire, purchase, or take on lease lands or buildings required for the erection or working of the factory for the residence of the employees, for agricultural farming and for transport etc,
- b) To approve programme of land improvement and crop planning and development and sanctioning expenditure for the execution of the programme,
- c) To sell or lease the lands and other movable and immovable property belonging to the factory,
- d) To appoint legal adviser ^{or} advisers and to fix their remuneration,

16) To do such other acts as are necessary to carry out the objects laid down under the bye-laws and to generally the business of the factory,

The Board of Director performs policy making and implementation functions of the factory. A Board properly speaking observer willoughby " is a group of members who are required to act collectively upon all matters falling with in their jurisdiction"⁶, Naturally the Board exercises an over all control over the factory⁷,

CHAIRMAN :

The Chairman is the head of the Board of Directors Chairman and vice Chairman were elected annually from among the Board

of Directors, In the absence of Chairman, Vice-Chairman presides over the meetings, The Board of Directors shall meet at least once in a month, Hitherto meetings are regularly held, From the establishment of factory to present date 113 Board of Directors meetings were held,

THE DUTIES AND POWERS OF THE CHAIRMAN :

1) Chairman has the power of general supervision over the staff and also functioning of the factory,

2) He can exercise casting vote on any motion whenever the opinions are equally divided,

3) He convenes the meetings of Board committees and the General Body fixing their date, agenda etc. He also presides over the meetings at different sub committees,

Hitherto the chairman has not exercised casting vote because such occasion has not arisen in the HALSUGAR, The Vice Chairman in the absence of Chairman exercises the powers and performs the functions of the Chairman,

DECISION MAKING PROCESS :

The Chairman is required to preside over a meeting of the Board, in his absence vice chairman and in his absence the members

shall choose one of their members to preside.⁸ All matters of common interest between the factory and members should be brought before any meeting of the Board of Directors be decided by a majority of the members present and voting at the meeting and decision of the Board shall be final. If a member absents himself from the meeting of the Board or in the existence of a vacancy or he abstain himself from the meeting of the board the acts or prceedings of the Board shall not be deemed to be invalid.

The Board of Directors had delegated full discretion to the Chairman and Managing Director to deal with all urgent matters involving the day to day operation and maintenance of the factory in between the meetings of the Board. The orders passed by the Chairman being put up for ratification of the next meeting. Generally the modifications corrections made by the Chairman were accepted by the members.⁹ Now, let us turn our attention to the functioning of various committees which help the administration.

THE COMMITTES AND THEIR FUNCTIONS :

Executive Committee:

The executive committee is appointed by the Board of Directors and is a very important one. The Chairman of the sugar factory is also the chairman of the executive committee. Among the members, Vice Chairman, three directors, the joint registrar of co-operative societies, nominee of the central financing agency and the

Managing Director as the Chief Executive head, The present executive committee is consisting of 7 members, Four members will form a quorum for the meeting, The executive committee is also considered the small Board of Directors which solve the emergency problems of the factory,

THE DUTIES AND FUNCTIONS OF EXECUTIVE COMMITTEE :

- 1) To supervise the working of the factory and its administration,
- 2) To purchase machinery, agricultural and other requisites required for the working of the factory,
- 3) To appoint agents for supply of farm produce and other required goods,
- 4) To erect buildings and machinery,
- 5) To sanction loans and advances to the members for raising sugarcane,
- 6) To compromise regarding any debt or claim or refer the same to arbitration or to grant extension of time to any debtor for the payment of his debt,
- 7) To institute, prosecute and defend any legal proceedings as the committee may think necessary or proper and to compromise or refer the same to arbitration,
- 8) To dispose of movable property,
- 9) To establish support or aid the establishment and support the funds calculated to benefit for the employees or their family members,

- 10) To execute deeds, agreements and other documents that may be necessary for the purpose of the business of the factory.

SUB-COMMITTEES :

To facilitate the smooth working of the factory sub-committees are also constituted. The Board may appoint sub committees from amongst the directors to facilitate its activities in various fields from time to time.

There are Two types of sub committees :

- 1) Permanent sub committees and
- 2) Temporary sub committees.

Permanent sub-committees are as under :-

- a) Share Committee
- b) Sugar cane Development and Transport Committee.
- c) Sales Committee
- d) Purchase Committee
- e) Labour Relations Committee
- f) Quarters Allotment Committee
- g) Civil Committee
- h) Recruitment Committee.
- i) Irrigation and Construction Committee.

Temporary sub-committees are as under :-

- a) Fitment Committee
- b) Canteen Committee.
- c) Grievances Committee.
- d) Strike Preventing Committee.

These committees are headed by the Chairman of the factory let us take a brief look in to the functions of some of the important sub-committees which will help us in understanding the Administration of the factory.

SHARE COMMITTEE :

Members of this committee also come from the Board of Director. This committee perform some important functions they are

- a) To dispose off the applications for membership, transfer and allotment of shares.
- b) To fix the share price.

SUGAR CANE DEVELOPMENT AND TRANSPORT COMMITTEE :

This committee is also very important in the factory administration. The efficiency of factory is also depends upon the efficiency of this committee because it perform following some important functions.

- 1) To take effective steps for the development of cane and to increase the recovery.
- 2) To fix the expenditure for harvesting and transportation.
- 3) To take effective steps in providing required sugar cane to the factory.
- 4) Find out diseasefree seeds and provide same to the members.

- 5) To purchase the cane and supply to the factory,
- 6) To make arrangement of farm labour and transporatation,

SALES COMMITTEE :

Sales committee is a permanent sub committee which perform the following some important functions,

- 1) To advertise the tender and sale the sugar,
- 2) To sale the other unuse materials,

PURCHASE COMMITTEE :

It purchases what is required for the factory like mechnery and other materials in reasonable rates to factory,

GRIEVANCE COMMITTEE :

The main function of this committee is to solve the difficulties of members as well as labour force of the factory,

STRIKE PREVENTING COMMITTEE :

In democracy strikes are oftenly happened for small things also, For many reasons labourers goes on strike, So strike preventing committee is essential to prevent the strike for the smooth working of the factory,

THE POWERS AND FUNCTIONS OF SUB-COMMITTEES IN GENERAL :

- a) To recommend their opinions to the Board,
- b) To suggest their views to the Board in important problems,
- c) To facilitate the work of the board,
- d) To study concern subject carefully and inform same to the Board of Directors,

The main task of sub committees is to co-ordinate the activities with in the factory as well as outside the factory,

THE MANAGING DIRECTOR :

The Managing Director is appointed by the State Government But in Maharashtra the Managing Director is appointed in consultation with the Board of Directos,¹⁰ He enjoys certain facilities such as rentfree housing, servants, phone and vehicle. He is an ex-officio member of the Board of Directors. He participates and exercises vote while taking decision by the Board. His main duty is to have proper control and supervision over the affairs of the factory,

The Managing Director is a Chief Administrative Officer as well as a over all public relations officer. He acts according to the directions of the Board of Directors. But he has also some

discretionary powers. He holds office normally, for a period of 3 years and his services may be recalled by the parent Government. He has to act as friend, philosopher and guide to the factory. As such he has to make efforts towards increasing the productivity of co-operative enterprise by motivating the employees for better performance.

Managing Director plays a very important role in factory development. Since he occupies a significant position in a sugar factory, he has to maintain good relations with Board of Directors and also to get the best results out of a team of technical heads.

There is always frequent changes of the officers holding the post of the Managing Director in sugar factory because of following reasons.

- 1) General transfers by the State Government.
- 2) Retirement.
- 3) Promotions.
- 4) Expiry of agreed term of the deputation.

Table No. 3.4 shows the appointments and transfer of Managing Directors.

Table No. 3.4 showing

Appointments and Transfer of Managing Directors.

Sr. No.	Name of Managing Directors	Appointment	Transfer	Total period of service
1.	Shri. B.A. Desai M.A. J.R.Cs.	23.5.1983.	6.7.1987.	4 years and 1 month
2.	K. A. Aziz I/c Dy. R.Cs.	6.7.1987.	24.11.1987.	Nearly 5 Months.
3.	A.B.A. Nawab I.A.S. Special D.C.	24.11.1987.	26.7.1988.	8 Months
4.	M.S. Ravishankar K.A.S. S.D.C.	30.10.1988.	9.6.1989.	8 Months
5.	M. N. Nehru K.C.S. J.R.C.S.	9.6.1989.	5.6.1990.	1 Year
6.	S.S. Balagipeer I/c D.R.C.S.	5.6.1990.	10.9.1990.	3 Month
7.	A.B. Navab I.A.S.	10.9.1990.	31.3.1991.	7 Month
8.	M.D. Rehamatulla K.C.S. J.R.C.S.	1.4.1991.	31.3.1992.	Nearly 1 Year
9.	Ramu M.A.H.D.C. J.R.C.S.	1.4.1992.		

Source : Records of the factory.

Table No. 3,4 reveals that there is frequent transfer of Managing Directors from one place to another. Out of Nine Managing Directors Five have worked less than one year. This indicates that the smooth working of the factory may not be possible, because they can not properly direct, supervise control the employees in the factory. So it is essential to appoint Managing Directors for a reasonably long time i.e. for about 3 to 5 years. It is generally believed that the party in power also influences the transfer at Managing Directors. However, such cases are rare. In this factory transfer of one or two Managing Directors is believed to be due to party influence, ¹¹

POWERS AND FUNCTIONS OF MANAGING DIRECTOR :

The Managing Director may remove from the muster roll the name of any workman unauthorisedly remaining absent for more than 10 consecutive days treating him as having left the service. He may also issue charge sheets to the employees and appoint enquiry officers to conduct enquires for any act of mis conduct of the employees. However, hardly 5-7 cases of removal of workman's name from the muster roll by the Managing Director. The specific powers and functions of Managing Director are as follows,

- 1) To control and supervise day to-day administration of the sugar factory,



- 2) To sanction amount for establishments, purchase of stores and other contingent expenditure,
- 3) To maintain proper accounts,
- 4) To represent in all legal actions instituted by or against the society,
- 5) The Managing Director may delegate any of his powers to the officers subordinate to him subject to the approval off the Board of Directors,
- 6) To draw, accept, endorse and negotiate bills of exchange and endorse sale, transfer or otherwise deal with shares and government securities,
- 7) The Managing Director shall be responsible for convene's the meetings of the Board of Directors and executive committee in consultation with the chairman or in his absence the vice-chairman, He shall also be responsible to call for the meeting of the general body as and when directed by the Board or on receipt of requisition from requisite number of members as per bye law No, 17 or a requisition from the Registrar of co-operative societies,
- 8) It shall be the duty of the Managing Director to send the notice of the meetings along with agenda, which shall clearly specify the time, date, and place of the meeting,

- 9) The Managing Director should record the proceeding of all kind of meetings and has to sign along with the Chairman at the end of the proceedings.
- 10) To see that the audit report is placed before the Board/committee for their consideration and to take steps in regard to rectification and submission of the audit rectification report.
- 11) To issue share certificates to the members signed by the Chairman and two Directors including Managing Director.
- 12) To carry on correspondance and to supply all needful information to the members through the Chairman.
- 13) Any other assignment entrusted by the Chairman/Board of Directors connected with the Karkhana.

SECRETARY :

Secretary is appointed by the State Government. His position is equally to Deputy Registrar of co-operative societies and draws salary in that scale. The Secretary has no specific functions like Managing Director. But in the absence of Managing Director he can exercise the powers of the Managing Director. Secretary's main function is to arrange the meetings of Board of Directors and keep minutes of the the/meetings and other records of the factory. Managing Director can

delegate his powers to Secretary and Secretary has to perform it,
The Secretary helps the Managing Director in so many respects,

OTHER EMPLOYEES POWERS AND FUNCTIONS : (See Chart-I)

Specific powers and functions of heads of some important units of the factory are as below,

1) CHIEF ACCOUNTANT :

He is appointed by the state government, some specific functions of accountant are as follows :

- a) Entire supervision over general and cane account,
- b) To arrange day today transactions of the accounts,
- c) To prepare the balance sheet, budget etc,
- d) Sign for the Joint Account at the factory,

2) OFFICE SUPERINTENDENT :

He is the head of administrative unit his specific functions are as follows :

- a) To look after the administrative and establishment correspondence,
- b) Entire supervise over the office staff,
- c) To work under the control of secretary,

3) LABOUR WELFARE OFFICER :

This post is created for the welfare of all employees of the factory. He perform so many functions. Among them some important functions are mentioned below,

- a) To advise and assist the Management to provide welfare facilities to workers.
- b) Preparation of paybills.
- c) To take Daily attendance of employees with the help of time keeper.
- d) To maintain statutory records as per the factories act.

4) STORE KEEPER :

He is the head of the store department under his guidance some assistant store keepers, clerks and helpers' are working. The specific functions of store keeper are as follows.

- a) To purchase required materials for the machinery works.
- b) To see the quality and quantity of purchased materials and sign the bills.
- c) To separate the materials according to section-wise.
- d) To maintain the credit and debit of store department.

5) CHIEF CANE DEVELOPMENT OFFICER :

He is assisted by the assistant C.D.O, cane inspector, Cane yard supervisors, fieldman, slipboys and clerks, He perform the following functions.

- a) To observe the harvesting and transportation of sugarcane to the factory.

- b) To supply the diseasefree seeds of sugar cane to grower members,
- c) To prepare the Date wise programme for sugar-cane cutting,
- d) To make agreement with harvesting and transportation contractors,

6) CHIEF ENGINEER :

Under his guidance the assistant engineers, shift engineers, electrical supervisors, fitters and helpers are working. He perform some important specific functions they are as below,

- a) To supervise the mechneries of the factory and give proper guidance to his assistants for smooth working of all mechneries of the factory,
- b) To run the smooth plant of the factory,
- c) To repair and maintenance of mechneries,

7) CIVIL ENGINEER :

CivilEngineer carries his functions through junior engineers, mukadams, masons, carpenters and staff. The important functions of civil engineer are as follows :

- a) To prepare the plan of different buildings from time to time,
- b) To maintenance and erection of buildings,

- c) To repair and construction of roads, ghataras etc,
- d) To supply water for the factory,

8) CHIEF CHEMIST :

Under his guidance manufacturing chemist, lab chemist, panincharge, juice supervisors, Evaporator, matecentrifugal mates etc, are working and his functions are as below,

- a) To supervise the juice and boiling house,
- b) To observe juice boiling and how much chemicals used in the juice should be informed to his assistance,
- c) To maintain good quality and colour of sugar,

9) SECURITY OFFICER :

Generally retired military persons are appointed as the security officer. He also perform some important functions they are as follows,

- a) Supervise and control the factory area,
- b) To maintain strict vigilance on outsiders, who coming to the factory for their works,
- c) To supervise over the staff when they going outside

the factory completion of their work.

On the basis of organisational chart one can confidently say that democratic values and decentralisation of authority and power in administrative and technical matters is the hallmark of this organisation. Democratic values reflected in the number of committees constituted by the Board of Directors for the purpose of decentralisation of power and authority, which may be one of the reasons for smooth and effective working of this factory.

Division of labour and specialisation being one of the important factors for the any organisation is reflected in this organisation in the areas of accounts, labour welfare, technical matters like engineering, industrial chemistry, security, store keeping etc. This points out that the factory is aware of the importance of division of labour and specialisation which are very essential for the production of a chemical product i.e., sugar. It is generally believed that the co-operation among various units of the factory is satisfactory.¹² These factors taken together helped the smooth functioning of the factory.

GOVERNMENT PARTICIPATION AND CONTROL :

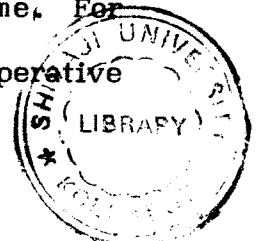
The sugar factory has been considered as an important instrument of economic development for the success of this sector an active public participation and government support are needed. Arthur Lewis, says " The behaviour of government plays an important role in stimulating or discouraging economic activity as does the

behaviour of enterpreneurs or parents or scientists or priests",¹³

As stated by D.R. Gadgil ' in a society which is poor and in which economic units are over whelmingly large in numbers, for co-operation to succeed it is necessary that they would be initiated and nursed by the external efforts and that co-operative activity should be supported by appropriate Government policy in relation to economic security and progress . The machinery of the state had to be actively associated with the co-operative movement,"¹⁴

According to section 29 of the Karnataka Co-operative Societies Act 1959 State Government has nominated three persons on the Board of Directrs. The State government has also partnership in the share capital of the factory. It also exercises control over the factory through nominated members. The nominees of the State Government shall have a right to appeal to the Government against the decision of the Board, if it is likely to be prejudicial to the interest of the government and or of the industrial finance corporation of India or the Life Insurance corporation of India. In all such cases the decision so given by / ^{the} government shall be binding on the Board.

For the success of sugar co-operative, Government participation and control is essential. The success of a co-operative unit also needs loyalty of its members and their active participation in the deleberations of all kinds conducted from time to time. For this purpose it needs both general education and co-operative education, so as to create an awareness among the members.



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