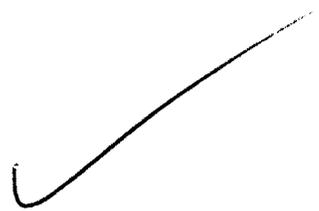


## CHAPTER I

### INTRODUCTION AND METHODOLOGY

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- 1.1 Introduction
- 1.2 Selection of the Problem
- 1.3 Objectives of the Study
- 1.4 Scope and Limitations of the Study
- 1.5 Methodology
- 1.6 Chapter Scheme



## CHAPTER I

### INTRODUCTION AND METHODOLOGY

#### 1.1 INTRODUCTION

This chapter deals with the selection of the problem and objectives of the study. It also includes the scope and limitations of the study alongwith methodology and chapter scheme.

#### 1.2 SELECTION OF THE PROBLEM

"Structurally India has the largest co-operative movement in the world" <sup>1</sup>. As compared to the rest of the world, India's co-operative movement is highly diversified - having as many as 50 types of co-operatives - starting from co-operative credit to marketing, consumer's handloom weaver's, fisherman, housing, various types of industrial co-operative societies, co-operative farming, irrigation as also co-operative film society, engineer's co-operative, co-operative hospitals and co-operative burial society. "The primary aim of co-operative organisation is to improve the economic situation of its members who are generally isolated, weak and powerless" <sup>2</sup>.

Co-operation as a form of economic organisation, whether it relates to production or distribution or consumption has become very

important today in the context of the dissatisfaction that people feel about the working not only of private sector organisations but also of public sector organisations. "Co-operation is thus, something more than an ordinary business. It believes in framing and developing moral values side by side with the pursuit of business. It is a method of making self-help effective and practicable" <sup>3</sup>.

The study of co-operatives in India has acquired a special significance in the post-independence period because India has adopted the aim of socialistic pattern of society and the concept of welfare state. "Co-operative marketing society is one of the agencies through which the farmer is guaranteed of a fair return on his crops" <sup>4</sup>. Marketing co-operatives are required to carry out various functions with available resources to meet the needs and demands of the people. "Co-operative marketing requires certain conditions for its success" <sup>5</sup>. The area of operation of a co-operative marketing society is usually fixed with reference to local conditions.

Over 80 years have passed since the co-operative movement was first launched in the country. Substantial progress has been recorded by the movement having more than 3 lakhs co-operative societies of all types, a membership of 120 million and working capital of over Rs. 19,000 crores. It now covers about 98 percent

of villages, 41 percent of the rural population and about 43 percent of all agricultural families. In states like Maharashtra, Gujrat, Tamil Nadu and Kerala nearly every village has a co-operative society. There has been a steady increase in the number of societies, their membership and total working capital since independence. But mere numbers are not a measure of success in co-operation. The marketing co-operatives came to be developed after 1915. But their working shows no substantial progress.

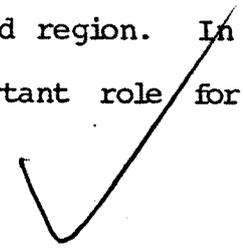
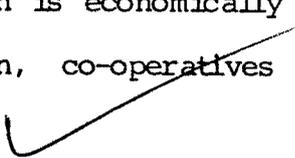
"India is still now a country with rural economy as its base" <sup>6</sup>. India's 70 percent population is scattered in the rural areas and majority of rural population depends for its sustenance on agriculture in which field there is still vast scope for the application of co-operative principles. The development of rural India is dependant to a large extent on the success of co-operatives. Here comes the importance of the study of performances of co-operative marketing societies. Co-operative marketing societies are expected to play a vital role in fulfilling the needs of the rural population.

We have glaring example of integrated rural development through co-operative in the co-operative sugar complex of Maharashtra. The achievement of Warnanagar Co-operative Sugar Factory is worth emulation by every co-operative society. This

co-operative sugar factory, originally for sugarcane growers, has today created a mini co-operative economy in the entire area of its operation by organising co-operative endeavour in every conceivable activity in its area. There are numerous examples of successful achievements of co-operatives. It has achieved remarkable success in production and distribution of fertilizers. IFFCO, an organisation of co-operative societies is producing 60 percent of the fertilizers of the country. Today, in most of the states in the country, more than 50 percent of the inputs requirements of the farmers are distributed through the co-operative net-work. In some states, this share is as high as 75 to 80 percent.

The study of performance is inseparable from the study of functions, structure and organisation of the marketing co-operatives. Co-operative marketing is an important aspect of rural economy which plays vital role in rural development in India. Hence, a close study of the performance of the co-operative marketing, to get an overall picture of its working and to understand the matching of obligations and resources of the societies, is highly desirable.

As compared to other parts of the Maharashtra, Konkan region is economically and commercially backward region. In this region, co-operatives have to play an important role for the



economic development. Taking into account this fact, the scientific research study should be conducted for evaluating the performances of co-operatives in the underdeveloped Konkan region. The trading activities on the coastal areas remained throughout at a very moderate. There is limitation on the agricultural productivity due to general want of fertile soil, lack of irrigational facilities and other inputs.

Devgad Taluka Sahakari Kharedi Vikri Sangh Ltd., Devgad is one of the co-operative marketing organisations, which supplies levy and free sale cement, levy sugar, fertilizers, pesticides, small implements such as sickles, grass-crappers, pick-axes, chaff-cutters which are generally required by every farmer at moderate rate of profit. It also supplies spray pumps and some household requirements. From its inception, i.e. 29th February 1960, this co-operative organisation has been playing vital role in the economic development of Devgad Taluka. One of the important features of the Devgad Taluka Sahakari Kharedi Vikri Sangh Ltd., is that, it is the only Sangh in the Sindhudurg district which supplies levy and free sale cement to its members and others. Therefore, the researcher has selected the topic entitled "Performance Evaluation of Devgad Taluka Sahakari Karedi Vikri Sangh Ltd., Devgad, 1984-85 to 1988-89" for the present study.

### 1.3 OBJECTIVES OF THE STUDY

The present study is undertaken with a view to evaluate the Performance of Devgad Taluka Sahakari Kharedi Vikri Sangh Ltd., Devgad, during the period of five years from 1984-85 to 1988-89. The following are the main objectives of the study :

- a] To examine the structure of share capital and methods of raising funds.
- b] To examine the methods creating the reserves and other funds and pattern of investing funds.
- c] To examine the debt-equity proportion.
- d] To examine the physical achievement in regard to agriculture and other relevant aspects.
- e] To suggest measures for the effective performance of the Sangh.

### 1.4 SCOPE & LIMITATIONS OF THE STUDY

The Devgad Taluka Sahakari Kharedi Vikri Sangh Ltd., Devgad is playing a vital role in the supply of fertilizers, pesticides, ammunitions, small implements to the farmers and household requirements. The researcher has tried to complete this study under the following scope.

- a) The study covers the period of five years from 1984-85 to 1988-89.
- b) The study is mainly based on the annual reports and annual accounts of the Sangh.
- c) Here, the term "performance evaluation" deals with the evaluation of overall performance and not only the evaluation of financial performance of the Devgad Taluka Sahakari Kharedi Vikri Sangh Ltd., Devgad.

#### 1.5 METHODOLOGY

The present study is based on the primary and secondary data. The main source of data comprised of the Annual Reports and Annual Records of the Devgad Taluka Sahakari Kharedi Vikri Sangh Ltd., Devgad (DTSKVS) for years 1984-85 to 1988-89.

Information has also been collected through personal discussions with the Manager, Secretary and other concerned officials of the Sangh. The members of the Sangh were also contacted for discussing relevant issues.

Under this study, the published data is collected from the various libraries, such as Chhatrapati Shahu Central Institute of

Business Education and Research, Kolhapur, the Shivaji University library, the library of Shri S. H. Kelkar College of Arts and Commerce, Devgad and the library of Chintamanrao College of Commerce, Sangli.

#### 1.6 CHAPTER SCHEME

The present study is divided into five chapters. The first chapter introduces the background of co-operative movement in selection of the problem. It also includes the objectives, scope and limitation and methodology of the study.

The second chapter deals with the historical development of co-operative movement in India and in Maharashtra. It also includes the movement of co-operative marketing in India and in Maharashtra, in brief.

The third chapter deals with the history of the Devgad Taluka Sahakari Kharedi Vikri Sangh Ltd., Devgad. It includes the establishment and location, operational area, objectives, functions and organisational set-up of the Sangh. Further it includes the co-operative movement in the study area.

The performance evaluation of the DTSKVS for the period of five years i.e. 1984-85 to 1988-89 is depicted in fourth chapter.

In this chapter, financial data of the Sangh for the study period is analysed with the help of trend analysis (percentages) and ratio analysis.

The last chapter gives conclusions and suggestions based on the findings of the study. Appendices relevant to the study have been given along with the bibliography.

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