

CHAPTER 'I'

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CHAPTER NO. IINTRODUCTION1.1 SELECTION OF THE PROBLEM

Textile industry is one of the largest centralised business unit in industrial production. This industry plays a very vital role in Indian economy. Out of the total capital invested in industrial production as a whole in textile industries. It provides employment to millions of people directly or indirectly.

The textile industry is divided into two sectors organised and unorganised. The organised sector consists of spinning mills and composite mills. The handloom sector and the powerloom sector is considered as unorganised sector. The establishment of spinning mills in co-operative sector is relatively of recent origin (in 1951 the first co-operative spinning mill was installed at Gauntakal) Since then large number of co-operative spinning mills have been installed and registered in different parts of the country. At the end of 30th June, 1987 there were 102 cooperative

spinning mills in India out of which 30 were in Maharashtra. In view of large number of handlooms and powerlooms working in the State of Maharashtra, there was a need ,to set up more and more spinning mills in cooperative sector.

The essential characteristics of the cooperative unit as form of business organisation are directly derived from the basic principle of cooperation. The basis of such an organisation is economic activity, production of goods or services carried on for the protection of the interest of members. The ownership of such a unit rests with the members collectively. The unit works on democratic lines. The benefit occurs to the members in proportion to the business done with their own unit. Modern cooperative business organisation endeavours to result such a thing in practice by using modern tools and management.

The spinning units in cooperative sector have contributed much to the development of rural areas especially since the efforts had been to establish such units in backward areas. One spinning mill of 25000 spindles capacity not only gives direct to employment to around 1000 peoples but also encourage ancillary industries,

housing and other activities in the surrounding areas. This gives a real encouragement for the overall development of the area.

The impressive progress of some of such spinning mills in Maharashtra made the researcher to make a separate study of Shree Swami Samartha Shetakari Wa Vinakari Sahakari Soot Girani Niyamit, Valsang. The said Soot Girani was registered on 14th November, 1979 in rural and backward area of Solapur district to provide employment opportunities to the unemployed people and good prices for the cotton of cotton growers.

1.2 STATEMENT OF THE PROBLEM :

Financial strength of Shree Swami Samarth Shetakari Wa Sahakari Soot Girani Niyamit, Valsang is studied for the period of five years from 1984-85 to 1988-89 to determine the short-term and long-term financial strength.

1.3 SCOPE OF THE STUDY :

The scope of the study is as follows :

The present study of financial management of

Shri Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit, Valsang is confined to analysis and interpretation of financial statements with the help of Ratio Analysis to judge the short-term and long-term financial strength of the said Soot Girani. For this purpose a period from 1984-85 to 1988-89 is taken into consideration.

1.4 OBJECTIVES OF THE STUDY :

The objectives of the study are as follows :

1. ^{Review}
A To the historical background and the present working of Shri Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit, Valsang.
2. To study the sources of finance raised by Shri Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit, Valsang.
3. To study and examine short-term and long-term financial strength of Shri Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit, Valsang during the period from 1984-85 to 1988-89.

4. To give suggestions to improve the financial strength of Soot Girani.

1.5 METHODOLOGY :

The researcher has used a case study method. The data used in the present study are taken from primary and secondary sources. The attempt was made to collect primary and secondary sources. The attempt was made to collect primary data through the discussions with the Soot Girani's officials which includes Managing Director, Financial Manager, Chief Accountant and Section Manager. The secondary data is mainly collected from the published materials viz. Annual Reports, Books and periodicals and office records of the Soot Girani.

1.6 LIMITATIONS OF THE STUDY :

This study is undertaken as part of the partial fulfillment of the Degree of Master of Philosophy in Commerce and Management. Due to limited time and limited resources at my disposal the researcher has got some limitations of the study. The limitations of the study

are as follows :

- 1) This study is limited to only one Soot Girani and that is ,Shri Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit,Valsang, Tal. South Solapur,Dist. Solapur.
- 2) The study is mainly concerned with analysis and interpretation of financial statements through ratio analysis to judge short-term and Long-term financial strength of Shri Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit,Valsang.
- 3) The period of study is limited to five years from 1984-85 to 1988-89.

1.7 CHAPTER SCHEME :-

The present study is divided into Seven Chapters. The First Chapter deals with introductory part consisting Selection of the Problem. Statement of the problem, scope of the study, objectives of the study, Methodology, limitations of the study and chapter scheme.

The Second Chapter deals with history and origin & growth of spinning mills in India and Maharashtra and

and Solapur District.

The Third Chapter deals with concept of Financial Management, its meaning ,scope and objectives.

The Fourth Chapter deals with profile of Shri Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit, Valsang.

The Fifth Chapter deals with sources of finance in general and sources of finance raised by Shri Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit, Valsang.

The Sixth Chapter deals with Financial strength of of Shree Swami Samarth Shetakari Wa Vinakari Sahakari Soot Girani Niyamit, Valsang.

The Seventh Chapter deals with Conclusions and Suggestions.

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