

CHAPTER NO. VII

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CHAPTER NO. VII

CONCLUSSIONS AND SUGGESTIONS

7.1 Introduction

The present Chapter, being the concluding Chapter of this Dissertation, brings together the conceptual, theoretical and analytical strands in the previous chapters and presents the conclusions derived from it and also set of suggestions to further improve the financial performance of the Swami Ramanand Bharati Co-operative spinning mills Ltd, Tasgaon, as a whole.

7.2 Conclusions of Key Result Areas

The theoretical basis of the Financial Management is taken up for analysis under this study has been presented in Chapter-3 and the relevant data regarding to the Swami Ramanand Bharati Co-operative Spinning Mills Ltd Tasgaon has been analyzed in Chapter-5. After analyzing the available financial data with key result areas such as capacity utilization, production management, sales performance, net working results, capital structure, liquidity position, working capital management, different government schemes, awards and rewards, hank yarn obligation and inter- firm comparison, the over all performance of the SRBCSMLT is found at satisfactory level. The production in quantity and quality is very good, and it is competitive in today's modern global world. In case of sales the spinning mill is successful in obtaining the foreign currency on

behalf of our nation. The mill has provided 350 employment opportunities directly and another indirectly. The profit earning capacity of spinning is also shows an increasing trend in last two successive years. Therefore the mill has received the various awards from the spinning federation. This is a good sign in today's viable co-operative movement in Maharashtra and India.

Inter-firm comparison analysis enables to take the decision of about right or wrong about the financial operations of firm. The significance of the inter-firm comparison lies in the fact that the overall direction of the financial movement can be predicted beforehand. Accordingly, it is observed that the SRBCSMLT is doing well as compared to SCSMLK except the utilization of plants planned capacity and working capital management.

7.3 Suggestions

In view of the discussions in the preceding chapters and the summary presented above the following suggestions are being proposed.

7.3.1. Capacity Utilization

Capacity utilization of the SRBCSMLT is poor in case of plants projected capacity and average spindle utilization. The firm must utilize the average spindle utilization as per CITRA norms & to improve the projected capacity of the plant up to 25,200 spindles.

7.3.2. Production Performance

Production performance of SRBCSMLT is good, they follow CITRA norms for production management therefore the quantity and quality both are competitive, and the firm must maintain it.

7.3.3. Sales Performance

The sales performance of the SRBCSMLT is satisfactorily. They sale manufactured yarn in domestic and foreign markets. The firm must concentrate on export sale of Yarn.

7.3.4. Net Working Results

The net working results of the firm are seen well. The SRBCSMLT must maintain it.

7.3.5. Working Capital Management

The working capital management of SRBCSMLT is unsatisfactory the firm facing the shortage of working capital. The firm must collect Rs5 corers as a working capital through NCDC or any other financial institution at a lower rate of interest.

7.3.6. Capital Structure Management

The capital structure management of SRBCSMLT is based on government share capital, member share capital and loaned funds. Due to the loaned capital the firm has paid Rs. 58,71,572 as a interest on loaned capital. It reduces the profit of the firm therefore it is to suggest that the member share capital must be increase to reduce the loaned capital.

7.3.7. Hank Yarn Obligation

Due to the governments Hank Yarn Obligation, it reduces the profit of the spinning mill, therefore it is to suggested that government must called off the Hank Yarn Obligation imposed on the spinning mills

7.3.8. Value Added Project

For the value addition and to reduce the cost of production the mill must start the value added projects such as ginning, pressing, weaving, dying, garmenting and processing etc. The presently mill has successful in providing employment opportunities to the rural peoples. After expansion the employment opportunities are further increases.

7.3.9. Liquidity Position

The liquidity position of the spinning mill is poor in some extent the current ratio of the firm is below than its ideal proportion therefore the SRBCSMLT improve their current asset position so that they can easily meet out their short-term obligations. In this regard, board should increase cash and bank balance and inventory for smooth running of the business.

7.3.10. Non-availability of Raw Material

For the availability of raw material in local region & to reduce the transportation cost of raw material, the spinning mill must motivate the local farmers by providing cottonseeds, fertilizers and the agro medicines in subsidized rates for the better yield of cotton production.

7.3.11. To increase the quality of human resource the employee training programme must be undertake at regular interval.