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THE PERFORMANCE OF INDUSTRIAL CO-OPERATIVE SPINNING MILLS AND IT'S HUMAN RESOURCE MANAGEMENT PRACTICES WITH SPECIAL REFERENCE TO THE ANNA COOPERATIVE SPINNING MILLS LTD, AUNDIPATTI OF THENI DISTRICT- A CASE STUDY".

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Abstract: The cooperative sector institutions have different types of administrative and financial problems. In Tamil nadu, the cooperative spinning mills administrative set up is determined by various government policies and orders and direction of state government. The government is also playing key role in defining and revision of Human resource management policies and practices. The short period deputation services of state government officials are as the barriers to long range planning and its executions. In addition to it, appointment of refugees without textile technical knowledge or Cooperative training is as another barrier to better productivity or Cooperative organisational climate. The Anna Cooperative Spinning Mills Ltd is not financially viable to settle retirement benefits to its employee. In this context it is very essential to redefine the capital structure and working capital management. The Overcoming of accumulated losses, Industrial sustainability, Reduction of dependences on Government assistance to survival, increasing marketing share are the major responsibilities of human resources of the Anna Cooperative Spinning Mills Ltd.

1. INTRODUCTION

Cooperative institution is a form of organization where in persons voluntarily associated as human beings on the base of equality for the promotion of the economic interest of themselves. In this connection, the Industrial cooperatives, Cooperative Federations for the promotion of primary weavers' cooperative societies are established in textiles sector. The context is the cooperative state level marketing federation in Tamil nadu. The cooperative spinning mills are the industrial cooperatives established by primary weavers co-operative societies with the state government support in all aspects to fulfill their hunk yarn requirement for the continuous production economically weaker sections of weaving community. At present only

5 Co-operative Spinning Mills are functioning with 97,280 spindles. These five Co-operative Spinning Mills produce the yarn required for Free Distribution of Sarees and Dhooties Scheme, Free Uniform Scheme School Children and for the Weavers Co-operative Societies to produce market varieties. The 5 Co-operative

Spinning Mills are Anna (Theni), Bharathi (Thoothukudi), Pudukottai, Kanyakumari and Krishnagiri. Modernization proposal has been prepared for the 5 functional Co-operative Spinning Mills by the South India Textile Research Association with a total project cost of Rs.104.41 crore, and it will be implemented by availing financial assistance from National Co-operative Development Corporation.

2. ANNA CO-OPERATIVE SPINNING MILLS LIMITED (ACSML)

Anna cooperative spinning mills limited as a industrial cooperative institution is established as sixth planning commission by government of Tamil nadu with total cost of Rs. 72.48 lakh allotted in the sixth plan expense in 1982. Its current worth is Rs. 30.66 cores in Aundipatti of Theni District by the initiation of Tamil Nadu Government to fulfil the yarn requirement of Primary and industrial handloom weavers cooperative societies and Handloom clusters of Madurai, Theni, Virithunagar, Dindigul,



Ramanathapuram and Thiruchirapalli Districts. There is also a private channel of distribution of yarn to need of Textile based MSMEs in this Districts. The Management of ACSML is done by the elected Board of Directors and Government officials under the control Department of Handloom and Textiles, Government of Tamil nadu, The major Policies and strategies of ACSML are framed by the state government.

3. STATEMENT OF THE PROBLEM

The cooperative sector institutions have different types of administrative and financial problems. In Tamil nadu, the cooperative spinning mills administrative set up is determined by various government policies and orders and direction of state government. But the cooperative spinning mills of this state have facing lot of financial problems due to poor administrative and vague marketing practices. At present, it is expecting state government assistant for its rehabilitation measures such as overcoming accumulative losses and systemization of production process. The government is also playing key role in defining and revision of Human resource management policies and practices. The short period deputation services of state government officials have the limited vision and they concentrate on current affairs and not interesting to expand their vision for a future long period due to transferable nature of job. On another hand, appointment of refugees without textile technical knowledge or Cooperative training is as the barrier to provide the better productivity or Cooperative organisational climate. The ACSML is not financially viable to settle retirement benefits to its employees. Thus a study has been undertaken to analyse the problems of general management practices and problems relating to Human resource management practices of ASCML entitled on "The performance of Industrial Co-operative Spinning Mills and It's Human Resource Management Practices with special reference to the Anna Cooperative Spinning Mills Ltd, Aundipatti of Theni District- A Case study".

4. SCOPE AND LIMITATION OF THE STUDY

The study has confined with its scope to analysis the Capital structure Financial and management accounting problems, Operations and marketing strategies and its trend and Cooperative Human management system, the Government intervention in HR polices and its Practical issues. The study period is limited as 2010-11 to 2015-16. The study utilized the secondary data only.

5. OBJECTIVES OF THE STUDY

1. To study the nature and pattern of administration of the ACSML
2. To analyze the Capital and Investment structure and financial statements of ACSML.
3. To study the production and Marketing strategies of ACSML.
4. To analyze the Human resource Management Polices and Practices of ACSML
5. To suggest suitable recommendation to strengthen the Performance and Human Resources' of ACSML..

6. RESEARCH METHODOLOGY.

It is a case study. The research design is based on descriptive method. The secondary data such as Capital structure, Manpower Planning and its' utilisation, Production and Marketing details and Business results are collected from Financial statements, Circulars, Government orders and letters to ACSML, Auditor report and Director report. The collected data properly classified, tabulated and analyzed by using management accounting techniques such as comparative income & expenditure and balance sheet analysis, ratio analysis and marginal costing analysis. The statistical tools such as percentage and average methods are also applied for analysis of the data.

7. CAPITAL STRUCTURE:

- > Total share capital by Tamil nadu government Rs.478.04 lakh
- > Other share capital Rs. 12.87 lakh
- > Authorized share capital Rs. 1800 lakhs



manpower consists of Government authorities for top level management, workers and officials recruited from cooperative and textiles technical background and Srilangan refugees

Table .3 Distribution of Workers of Anna cooperative spinning mills ltd

S.no	Particular	At present employees
1	Refugees	64
2	Scheduled caste	82
3	Other labour A)through employment exchange B) land seller nominees	24 1
4	Technical labour	10
5	Nominees labour	3
	Total	184

(Source : Complied from Secondary data)

Table .4 Distributions of Administrative Employees of Anna cooperative Spinning mills ltd.

Sl no	Particulars	Employees.
1	Management level	3
2	Supervisor	6
3	Assistant engineering electronic	1
4	Clerk	11
5	Office attendend	2
6	Office assistant	2
	TOTAL	25

(Source : Complied from Secondary data)

Issues in HRM

Due to erosion of funds caused by heavy loss incurred during the years 2002-03 to 2004 05, the mills was forced to default the remittance of statutory payments like E.P.F., E.S.I subscription and sales tax. The outstanding arrears amount of Rs.56/- lakhs stood in E.P.F., E.S.I accounts were remitted fully from out of self generated funds made available in the years 2005-06&2006-07 by earning profit.

Trade union

The Authorized six trade unions are under bargaining of the better rewards to workers and helpful to maintain the good industrial relations.

13. BUSINESS PROFILE OF ANNA cooperative Spinning mills ltd

Table .5

Business profile of Anna cooperative Spinning mills ltd

(Value in Laksh)

Particular	2010-11	2011-12	2012-13	2013-14	2014-15
Spindle's	24960	24960	24960	24960	23876
Production value	2343.86	3366.89	2341.26	3774.21	4243.73
Sales value	2118.53	3383.71	2545.65	3384.54	4634.13
Net profit	+108.72	+103.49	-273.91	+278.58	+88.00
Accumulated Loss	631.84	528.34	802.25	523.67	435.67

(Source : Complied from audit report)

The sales tax arrears amount is being remitted in monthly installments at the rate of one month arrear amount along with current month due from dec.05 onwards .so far as sum of 140/-lakhs has been remitted out of total arrears of Rs.186/- lakhs. The remaining balance amount will be settled before march '09

Analysis of Financial statement

- > In the year of 2010- 11, there is change of 11.8 percentages in the assets and liabilities. On the other hand, in the year 2012-13, change of 20.57 percentage of in the assets and liabilities.
- > In the year of 2010-11, 49.56 percentage of debenture were additionally issued to meet financial demand, but in the year of 2012-13, 60.41 percentage of debenture were redeemed. It shows positive business results.
- > Gross profit Ratio is 12.01
- > Net Profit Ratio is 3.03
- > Operating Profit Ratio is 9.51
- > Operating Ratio is 100.95
- > Current Ratio is 18.46
- > Liquid Ratio is 0.05
- > Stock Turnover Ratio is 5.84
- > Current assets ratio is 1.64

14.CONCLUSION

One of the important problematic areas of ACSML is the financial management which provides the lot of pains to administrators, large number of retired workers and present human capital. In



Table .1
Members and share capital details
(Rs in lakhs)

Category	Members details	No's of member	Capital
A	Cotton former	982	9.14
B	Co-operative society & others	66	2.62
C	Weavers and co-operative society	72	1.11
D	Government of Tamil nadu	1	478.04
	TOTAL.	1119	490.91

(source ; Annual Report of ACSML-2015-16)

There is no term loan liability in the mills except the Govt.loan of Rs.6.55 lakhs availed to cotton purchase. At present dues and Rs.19.26 lakhs availed to implement voluntary Retirement scheme The Rupee Term loan of Rs.375/- lakhs availed form ICICI to meet out 50% of the project for establishing the mills was fully repaid form out of self generated funds.

8. LAND AND MACHINERIES

There is own land round 42.86 acres. The state government announced Rs. 24.95 cores for modernized of machinery and buildings in the budget of 2012 -13.In addition to it, modernisation fund is additionally sanctioned in the year of 2015-16.

Table .2. Machineries Details

S.no	Machineries	Purchased In Planning period	Net present usage of machinery
1	Circular hair pluckier with two way distributor	2	-
2	Chute Feed blow room line	7	1
3	Chute Feed carding TC5-1	7	-
4	Non auto leveller draw frames LD2 (breaker)	2	1
5	Auto leveller draw frames LDA/1 (finisher)	3	1
6	Speed frame LF1400A with 144 spindles	4	1
7	Ring frame LR60/A with 1008spindles	24	4
8	Auto coner	3	3
9	Generators K25KVA	2	2

(Source : Compiled from financial statement of ACSML)

9.PRODUCTION

At present, 7680 spindles are in the productions. 300 bales are produced by an average per month. At present 1600kg yarn is produced per day .Average per month production value is Rs 525 lakh. Yarn from this mill is sent to make school uniforms and free supply of dhotis' and sarees by the government.

10. WORKING CAPITAL

The mills is availing cash credit facility form Theni district central coop. Bank Ltd., to the tune of Rs 400 Lakhs for working capital requirements with the rate of 14% interest .

11. MARKETING

The only available captive market for the mills is Co optex. Since there is steep competition in the open market due to mushroom growth of Spinning Mills in the private Sector .Yarn produced in the mills is being supplied through Co optex Yarn Units at the rates fixed by the Yarn price fixation committee of the Directorate of Handloom and Textiles to the Weavers Cooperative Societies. The power loom Weavers Co operative Societies are also being supplied yarn under the Uniform Scheme and free Dhotis & Sharee Scheme of the Government of Tamilnadu.

12. HUMAN RESOURCE MANAGEMENT PRACTICES AND ISSUES

The Human Resource policy measures of ACSML is entirely different from nearby private spinning Mills. The sources of



this context it is very essential to redefine the capital structure and working capital management. Overcoming of accumulated losses, Industrial sustainability, Reduction of dependences on Government assistance to survival, increasing marketing share are the major responsibilities of human resources of ACSML.

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