ABSTRACT

The thesis, "Problems of Production And Marketing of Aluminium Products in India", identifies the following areas of Problems:

The problems of cost - behaviour with an emphasis on utilisation of capacity.

The question of strength of commodity market to determine the extent of revenue which the industry can generate from its marketing operations.

The problems of optimum level of production by relating average revenue to the average cost.
The problems of working capital which is the logical conclusion of production and marketing operations.

The study is quite extensive in its scope. The cost behaviour analysis raises the issue of technology, labour and technology substitution rate. In fact, no marketing operation can proceed without rock bottom line for marketing the products. There are two paradoxes which deserve serious thoughts - the administered price and escalating cost. The industry also suffers from idle capacity due to infrastructural bottlenecks including power shortage.

In a liberal competitive economy, the management has to be full saddle for determining the price and controlling the cost. For long, the obligation to generate surplus was relegated to the background in
public sector units. It culminated into erosion of equity base. Lately, the decision of the government for partial disinvestment has its gene in poor surplus generation by the public sector units.

The study substantiates the view that Aluminium Industry was enjoying the monopolistic position in the protected market. There was little concern about the expansion and modernisation of plants. For long, the government continued to import aluminium to meet the industrial demand.

The fast changing global scenario has thrown open the complex problems of marketing in competitive market. Efficiency has to be measured in terms of rate of return.

The issue of working capital is equally important for a higher return. The liberal credit policy, unnecessary large cash
balances, inventories of raw materials and ever increasing bad debts are some of the factors responsible for mounting working capital.

The study is concluded with a note of raising the efficiency of organisation and management, controlling cost, generating larger revenues and showing better sales performance. The credit sales should not be liberal. In a few words, the study is quite comprehensive and extensive.

The analysis is presented by making comparison between the public and private sector units on the one hand and with other capital intensive industries viz. steel cement and paper. The results of the study substantiate the hypothesis that industry can thrive when it optimises its operations. Aluminium Industry has not been able to evolve system approach in marketing and
fund flow approach in financial operations. The endogenous factors are as much responsible as exogenous in substandard performance of Aluminium Industry in public sector. It calls for rationalisation of both production and marketing management.