

Financial Performance of Co- operative Societies: A Comparative Study

(With Special Reference to Valsad District of Gujarat)

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ABSTRACT:

Financial analysis is the process of identifying the financial strengths and weakness of the firm from the available accounting data and financial statements. The focus of financial analysis is on key figures in the financial statements and the significant relationship that exists between them. The analysis of financial statements is a process of evaluating relationship between component parts of financial statements to obtain a better understanding of the firm's position and performance. This study aims at analyzing the overall financial efficiency of the Pindaval Cooperative society And Karchond Cooperative Society in Valsad District in Gujrat state in India both selected Cooperative society has working same activity. by Researcher's using various financial tools. The study has been undertaken for the period of 6 years from 2008-9 to 2013-14. In order to analyze financial efficiency in terms of Profitability, solvency, Activity and financial stability various accounting ratios have been used.

Key word: Ratio analysis, Profitability, Liquidity, Solvency, Activity, Financial health

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CHAPTER – 1

AN OVERVIEW OF COOPERATIVE SOCIETIES

CHAPTER – 1 (A)

(A.1) INTRODUCTION TO THE COOPERATIVE SOCIETY

(A.2) ADVANTAGE AND DISADVANTAGE OF COOPERATIVE SOCIETIES.

(A.3) POSITION OF COOPERATIVE SOCIETIES

INTERNATIONAL, NATIONAL AND STATE & DISTRICT

**(A.4) VARIOUS AGENCIES WORKING FOR THE DEVELOPMENT COOPERATIVE
SOCIETIES IN INDIA.**

(A.1) INTRODUCTION TO THE COOPERATIVE SOCIETY :

In India the co-operative movement was started at the beginning of the present century. It was the result of the economic distress caused to the peasants during this period. Although the idea of forming co-operative societies was first suggested by Frederik Nicholson to solve the problem of rural indebtedness, a real beginning of the co-operative movement was made when the Co-operative Societies Act was passed in 1904. This was done with a view to encouraging thrift, self-help and co-operation amongst agriculturists, artisans and persons of limited means. Societies formed under the Act were given legal status and were authorised to raise funds and carry on business in a corporate capacity. They were classified as rural and urban; rural societies were bound to accept the principle of unlimited liability. This Act, however, was deficient in many respects.

The Act of 1912 was, therefore, passed to make good these deficiencies. It regularised certain practices of doubtful legal validity and made provision for further expansion under proper safeguards. The distinction between rural and urban societies was removed and a more scientific classification based on limited or unlimited liability was adopted. Co-operative societies other than credit were allowed to be formed. Registration of unions and federal bodies like central banks was expressly legalised and a number of minor improvements were introduced. The simplicity and elasticity of the old Act were at the same time retained and a wide rule-making power was left to provinces to develop on their own lines.

- A co-operative society is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.
- A co-operative society is another means for forming a legal entity to conduct business besides forming a company. It pools together human resources in the spirit of self and mutual help with the object of providing services and support to members.

HISTORICAL DEVELOPMENT OF INDIA :

The history of co-operative movement in India is broadly divided into two phases. That means co-operative movement has passed into two phases. They are-

- 1) Co –operative movement in pre-independence era.
- 2) Co-operative movement in post–independence era.

These two phases are briefly discussed below:

i) Co-operative Movement in pre-independence era:

The pages of Indian history cite many evidences of co-operative activities from earliest times. However, the first recorded activity began in 1904 when this movement was officially set up by the British Government. Before that in the year 1892, Derrick Nicholson, tried to find out ways and means to establish institutions so as to help the agricultural sector. He gave the suggestions for setting of co-operative societies. Within that decade, India faced a terrible famine in 1899.

The Government appointed the Second Famine Commission 1901 to suggest measures for the victims. The commission recommended for a number of development activities and setting up of new institution. The most important among them was the strong recommendation for organisation of co-operative societies. The Government had accepted many of the recommendations and in 1904 “co operative societies Act” were passed. The aim was to help the rural farmers and artisans by providing short term and long term loans.

These credit societies were organised on the basis of two models, one for rural area and other for urban area. For the former these were organised on Reinfusion Model while for the latter it was Schulze Delitzsch Bank Model. Due to this Act a number of Co-operative Societies grew up in rural area, but they could not function effectively. The major defects were.

- i) There was no provision for setting up of Non credit Co-operative Societies in rural area.
- ii) No special Central agency was created for financing and supervising the activities of these societies.

- iii) The division of the Credit Co-operative Societies into two types rural and urban stood as a barrier since no specific arrangements could be done for either due to the overlapping nature of such classification.

The year 1928 saw a world wide economic depression. The prices of agricultural commodities fell down to a great extent and unemployment along with other economic crisis grew up. The creditors had no way to repay the loan. This brought many co-operative societies in to a stand still position.

In year 1933, the Reserve Bank of India was set up. The bank took some initiative to recognise the co-operative movement. It had a separate department for a co-operative credit. It helped to keep the movement alive which was gradually decaying.

In 1937, the popular Congress Government came to power in several states. The popular leaders took much more initiative in organising and extending this movement. But much progress could not do due to outbreak of Second World War. During this time, the ministry resigned. It was left in the hands of British Government again. But the war itself gave a boost to co-operative societies. The war brought a sudden increase in the prices of agricultural products and other food grains.

The rural farmer got extra economic gains. Non credit societies grew up. The working capital of co-operative societies also increased. The number of different credit and non credit co-operatives increased rapidly. The co-operative movement gathered momentum. The all India Co-operative planning Committee in 1945 also worked al lot in this direction.

ii) Co-operative movement in Post independence Era:

After independence for the first 3 years i.e. up to no significant development could be made. It was mainly due to the problem created by partition and absence of concrete programme for national re-organisation. However, the leaders of free India could the importance of co-operative movement for a successful democracy importance was given to strengthen co-operative structure of country and various provisions were made through different Five Year Plan.

The co-operative movement completed its 50 years dump the first plan. The Golden Jubilee was celebrated throughout the country with much excitement. This made the people feel the importance of such a movement. Attention was given to utilise the credit in productive activities.

The First Plan also recommended for training of personnel's and setting up of Co-operative Marketing Societies.

The Second Plan laid down proposals for extending co operative activity into various fields. It gave special emphasis on the warehousing co operatives at the State and Central level.

The Third Plan brought still new areas under Co operative societies. The co operative society for sugarcane, cotton, spinning, milk supply was proposed. Some concrete steps were taken to train the personnel's. The co operative training College at Pune and many regional centers were established to train the workers.

The Fourth Plan emphasised for consolidation of co operative system. The new programme for high yielding crops was started. Different credit societies were organised to serve these programmes.

The Fifth Plan made special provisions for improvement of Central Banks and no viable primary agricultural societies, re organising marketing as well as consumer societies. It also recommended for establishment of Farmer's Service Societies.

The Sixth Plan laid down a point programme for co-operative societies. It aimed at transforming the primary village societies to multipurpose societies.

- i) To reconstruct the policies and of co-operative so that it can bring about economic development of people.
- ii) To extend co-operative activities to the fields of food processing, poultry farming, dairy farming, fishery and many other related fields.
- iii) To give necessary training and guidance for developing skilled the efficient personnel's.

The Seventh Plan has also given more importance on the growth and expansion of co operative societies to ensure public participation to achieve its main objective i.e. the movement towards social justice has to be faster and there must be a sharper focus on employment and poverty alleviation.

(A.2) ADVANTAGE AND DIS ADVANTAGE OF COOPERATIVE SOCIETY :

ADVANTAGES :

1. Easy to form:

It is very easy to form a co-operative society unlike the formation of some other types of business organizations like companies and partnerships which can be very complicated to form. With co-operative societies, the formation procedure is very simple. Any group of ten people or more can come together and pool their resources together to form a co-operative. All they need to do is register it. The legalities involved in registering and starting a co-operative society is like a walk in the park.

2. No obstruction for membership:

Unless and otherwise specifically debarred, the membership of cooperative society is open to everybody. Nobody is obstructed to join on the basis of religion, caste, creed, sex and colour etc. A person can become a member of a society at any time he likes and can leave the society when he does not like to continue as ; member.

3. Limited liability:

In most cases, the liabilities of the members of the society is limited to the extent of capital contributed by them. Hence, they are relieved from the fear of attachment of their private property, in case of the society suffers financial losses.

4. Service motive:

In Cooperative society members are provided with better good and services at reasonable prices. The society also provides financial help to its members < the concessional rates. It assists in setting up production units and marketing of produces c small business houses so also small farmers for their agricultural products.

5. Democratic management:

The cooperative society is managed by the elected members from and among themselves. Every member has equal rights through its single vote but can take active part in' the formulation of the policies of the society. Thus all member are equally important for the society.

DISADVANTAGE :

Despite many an advantages, the cooperative society suffer from certain limitations c drawbacks. Some of these limitations, which a cooperative form of business has are as follows:

1. Limited resources:

Cooperative societies financial strength depend on the cap contributed by its members and loan raising capacity from state cooperative banks. The membership fee is limited for which they are unable to raise large amount of resources as their members belong to the lower and middle class. Thus, cooperative^ are not suitable for the large scale business which require huge capital.

2. Inefficient management:

A cooperative society is managed by the members only. They do not possess any managerial and special skills. This is considered as major drawback of this sector. Inefficiency of management may not bring success to the societies.

3. Lack of secrecy:

The cooperative society does not maintain any secrecy in business because the affairs of the society is openly discussed in the meetings. But secrecy is very important for the success of a business organisation. This paved the way for competitors to compete in more better manner.

4. Cash trading:

The cooperative societies sell their products to outsiders only in cash. But, they are usually from the poor sections. These persons require to avail credit facilities which is not possible in the case of cooperatives. Hence, marketing is a shortcoming for the cooperatives.

5. Excessive Government interference:

Government put their nominee in the Board of management of cooperative society. They influence the decision of the Board which may or may not be favourable for the interest of the society. Excessive state regulation, interference with the flexibility of its operation affects adversely the efficiency of the management of the society.

6. Absence of motivation:

The members may not feel enthusiastic because the law governing the cooperatives put some restriction on the rate of return. Absence of relationship between work and reward discourage the members to put their maximum effort in the society.

7. Disputes and differences:

The management of the society constitutes the various types of personnel from different social, economical and academic background. Many a times they strongly differs from each other on many important issues. This becomes detrimental to the interest of the society. The different opinions and disputes may paralyses the effectiveness of the management.

(A.3) POSITION OF COOPERATIVE SOCIETY :

✓ INTERNATIONAL :

The earliest record of a co-operative comes from Fenwick, Scotland where, in March 14, 1761, in a barely furnished cottage local weavers manhandled a sack of oatmeal into John Walker's whitewashed front room and began selling the contents at a discount, forming the Fenwick Weavers' Society.

There are a plethora of records of co-operatives started out as small grassroots organisations in Western Europe, North America and Japan in the middle of the nineteenth century, however, it is the Rochdale

Pioneers that are generally regarded as the prototype of the modern co-operative society and the founders of the Co-operative Movement in 1844.

In 1862 Friedrich Wilhelm Raiffeisen founded the first credit union and his work inspired the growth of financial co-operatives across the world.

The co-operative movement today

The principles that underpinned their way of doing business are still accepted today as the foundations upon which all co-operatives operate. These principles have been revised and updated, but remain essentially the same as those practiced by the Pioneers in 1844.

Today the sector is estimated to have around 1 billion members and account for more than 100 million jobs around the world.

The International Co-operative Alliance represents close to one billion individual members. These statistics are calculated from the subscription formula on ICA's 272 members from 94 countries (as of 20 October 2013). On this basis, the global representative body for co-operatives is one of the largest non-governmental organisations in the world today by the number of people it represents, according to available figures.

The country with the largest number of individual members indirectly represented by the ICA is the United States with 256 million members. There are nearly 30,000 co-operatives in the US.

The next countries are in Asia, with India following next behind the US with 93.7 million individual members. And then Japan with 77 million individual members.

The fourth largest number of members is in Iran with 36.9 million individual members.

All in all, five of the top ten countries, by membership, that the ICA represents - are in Asia.

Italy is the first European country with 22.5 million individual co-operative members, represented through their organisations by the ICA.



Following Detail of Country Wise Cooperative Member :

Table : 1

Country	Cooperative	Country	Cooperative	Members
Asia-Pacific (Countries)		Europe (Countries)		
India	93,755,144	Italy		12,555,533
Japan	77,034,387	UK		10,019,000
Iran	36,902,477	France		9,669,638
China	31,000,000	Poland		8,100,000
Indonesia	30,000,000	Russia		5,040,000
Bangladesh	30,000,000	Finland		4,211,781
Sri Lanka	12,100,000	Sweden		3,961,475
Thailand	10,552,839	Germany		3,327,727
Vietnam	6,500,000	Norway		2,329,378
Malaysia	5,819,170	Denmark		2,004,803
Korea	5,372,740	Portugal		2,000,006
Nepal	3,206,100	Belarus		1,500,000
Philippines	2,000,000	Turkey		1,446,802
Singapore	1,400,000	Cyprus		1,193,982
Myanmar	1,085,692	Czech Republic		722,205
Pakistan	921,999	Spain		589,848
New Zealand	600,000	Ukraine		482,700
Kuwait	444,753	Austria		477,000

Following Detail of Country Wise Cooperative Member :

Table : 2

Country	Cooperative Members	Country	Cooperative members
<u>Africa (Countries)</u>		<u>Americas(Contries)</u>	
Kenya	8,650,000	USA	225,901,137
Nigeria	5,490,825	Canada	18,620,000
Rwanda	1,624,032	Brazil	15,279,400
Rwanda	1,624,032	Argentina	4,894,400
Tanzania	1,380,000	Ecuador	2,962,000
Zambia	877,442	Mexico	2,479,900
Uganda	509,000	Colombia	2,436,002
Mauritius	150,000	Costa Rica	1,465,400
Lesotho	90,000	Guatemala	1,113,200
South Africa	56,000	Uruguay	909,598
Botswana	51,400	Paraguay	810,200
Zimbabwe	10,000	Puerto Rico	682,677
Guinea	772	Dominican Republic	118,900

(Source : international Cooperatives Alliance)



NATIONAL : (India)



INTRODUCTION :

India is a developing country facing number of problems, such as the population explosion, low productivity, inequalities, low living standards, inflation and so on. India consisting of 16% of the world's population sustains only on 2.4% of land resource. Agriculture sector is the only livelihood to the two-third of its population which gives employment to the 57% of work force and is a source of raw material to large number of industries. After 60 years of independence taking into concern these problems, the growth of the Indian economy is rather slow. For the solution and for rapid economic development, it was necessary to accept a mixed economy as an economic system for the balanced growth of public and private sector together with a major role for co-operative societies to contribute their nit in the process of economic development. In the context of globalization of rural development perspectives, the developing countries like India, needs to devote greater attention towards rural development. The country's economic structure is undergoing fundamental changes as a result of the policy of liberalization and de-regulation. The objectives of the new economic policy are to impart a new element of dynamism to agriculture, trade and industry, to encourage foreign investment and technologies for making Indian products competitive in the international market to improve the performance of public undertaking and to influence co-operatives, since co-operatives work as an essential part of the country's economic structure. It is hoped that the co-operative movement will respond to the changes and develop firm self-discipline.

Co-operative movement in India is one of the largest movements in the world. Co-operative movement has made tremendous progress in every aspects of the Indian economy. Co-operative activities occupy a major place in the sphere of the Indian economy. Initially, the co-operative movement was started with a limited scope of activities of rural credit but now it has entered in all fields of economic activity with social essence. Now the movement which has covered 100 per cent villages and 75 per cent rural households and functioning over 545 thousand Co-operatives of various levels with membership coverage of 236 million and working capital of 34,00,555 million 114 inclusive of credit and non-credit co-operative societies. It has been playing a significant role in disbursing agricultural credit, distribution of agricultural inputs, providing market support, processing, etc. Co-

operative movement has been recognized as an effective instrument for the economic development of the rural masses and for improvement in the socio-economic condition of the poor. The co-operative movement in India had its origin else where and was introduced to this region by foreign rule. But even after independence, the movement continued in the planned economy. The movement has been recognized as an effective instrument for the economic development of the rural masses and for improvement in the socio-economic conditions of the neglected. In India co-operation had become a part of national policy and hence the Indian co-operative movement is sometimes ironically described not as a movement but only as a product of government policy. It spread and diversified with the encouragement and support of the government. The co-operative movement in India was basically organized against the moneylenders to rescue farmers from the clutches of the poverty and indebtedness. The need for agricultural credit through co-operatives felt because of rural indebtedness. The Indian co-operative movement was initiated by the government; it spread and diversified with the encouragement and support of the government. In this connection, observation made by NABARD" in its Annual Report, 2001-2002 is; "Co-operatives have contributed significantly to the growth of institutional infrastructure in the rural areas, private capital formation in the agriculture sector and distribution of farm inputs like fertilizers, seeds etc."¹ The determination of Government interest in co-operatives and the importance attached to them was reflected in the appointment of various committees regarding to review their development and functioning.

Table : 3 following detail show cooperative society positions in india.

Number of Co-operative Societies (all level)	5,28,249
No. of Members	22.88 Crore
Share Capital	Rs. 16,649.51 Crore
Working Capital	Rs. 2,85,643.35 Crore
Reserves	Rs. 22,796.28 Crore
Deposits	Rs. 1,44,179.50 Crore
Coverage of Rural Household	67%
Villages covered by the Co-operatives	100%

(Source : Govt.of India Statistics Department)



GUJARAT STATE :

Gujarat is one of the most cooperatively advanced states in India. This was the State which made India self sufficient in milk and milk production through dairy cooperative movement. After bifurcation of the then Bombay state in the year 1960 into Gujarat and Maharashtra, it was a felt need to have an organisation, which can play pivotal role in cooperative propaganda, member education and strengthening of cooperative movement in the state. Therefore, the Union was formed in 1960 to provide cooperative education, training, publicity, information and guide various cooperatives in the state. It acts as a federation of 19 District Cooperative Unions.

Most of population of the country habits in the villages,Agriculture is prime occupation in the villages.in the 19th century,money lenders of the villages satisfied on the mhigh rate of interest the financial need of compound interest.It was the only solution of the financial problem of the farmers if they avail required money on the cheap interest conveniently,for that object the lend improwment act 1883 and the loans for the farmers act,1884 were framed.

It was the only solution of the economic problem of the farmers if they can avail the facility of the money required for agriculture on the cheap rate of interest and upon the reasonable

conditions then central government and the state government had made efforts to resolve the said issue. At that time, in Europe, Sir Refrigen started rural money lending societies on the co-operative base. Therefore the then government of Madras envisaged applying the concept of the co-operative system with a view to solve the financial problems of the rural areas of India and a result, Sir Federic Nicolsen was sent to the journey to Europe. Sir Nicolsen by making a deep and comprehensive study of the agricultural Financial firms run in Europe presented a detailed report. Essence of the report was Keeping in view the characteristics of the report that triggering the co-operative societies in the rural India like Europe would result into a fruitful and rapid economical progress in the rural areas, such type of co-operative societies were started in the several province of India. The sporadic efforts of creating such co-operative societies could not get fruitful result. Sir Adverd Law was appointed for the finding out the basis on which the law should be framed by examining this scheme across the country. Taking in account the finding and suggestions quoted by the Sir Adverd Law, "The co-operative money lending societies " Act was passed in 1904. This law provided constitution the money lending societies for the purpose of money lending by creating finance on the co-operative base as well as urban co-operative societies for the urban areas. In this way, the co-operative activities formally began in 1904 in India. The base of co-operative activities has been founded in India by the government by passing a law. The Co-operative Societies' Act, 1904 applied to the whole of country. Simultaneously, in the light of the spatial situation, the stat Governments, provincial Government were empowered to make required changes therein.

The said law of 1904 provided only the registration of the money lending societies. No provision was therein regarding any other co-operative activities then the said act was amended in 1912. As a result of Montfords revision in 1919 the co-operative activities became a subject of the provincial governments. The Mumbai Government, taking initiatives passed the Mumbai Co-operative Societies Act in 1925. on bifurcation of the Mumbai state in 1960, Gujarat became a separate state. After the constitution of the Gujarat state since 1/5/60. The Gujarat Co-operative Societies Act 1961 has come into force. The implementation of the act is made by the Co-operation Department of the state.

The office of the registrar, Co-operative societies, the Gujarat state, Gandhinagar is the head office for the purpose of implementation of the functions under the co-operation Department. The

additional registrar, joint registrar, deputy registrar and the Assistant registrar performs various functions in the head office his control. While at the district level, The District registrar, of the district concerned perform the functions in this regards.

There are aggregate 25 district head in the state and every district head quarter has office of the district registrar of co-operative societies. For the purpose of implementation of money lending Act , the office of assistance district registrar, money lending is at the district of Vadodara, rajkot and Godhara. For the purpose of auditing of all the co-operative societies in the state the office of joint registrar, Co-operative societies, audit (divisional) are at the Divisional level Ahmedabad, Vadodara and rajkot. While the Audit structure at the district level is at the disposal of the district registrar , co-operative societies which performs the functions of auditing accounts of the co-operative societies of various nature in the state

❖ **Number of Co-operative Societies in Gujarat State As on 31st March-2013**

Table : 4

Sr.No.	Type of co-op. Societies	No. of Societies
1	State Co-op.Bank	01
2	Central Co-op.Bank	18
3	State Co-op Land Devp. Bank	01
4	State Industrial Co-op Bank	01
5	Primary Agri. Credit Societies	8758
6	Nagrak Banks	250
7	Primary Non-agri. Credit Societies	5385
8	Marketing Societies	2008
9	Processing Societies	700
10	Milk & livestock	14136
11	Farming	854
12	Fisheries	580
13	Consumers	1955
14	Housing	17683
15	Labour Contract	3532
16	Forest labour	131
17	Irrigation	3871
18	Transport	122
19	Electricity	03

20	Other Non-credit	4302
21	Union & institute	36
22	Sugar	17

The Gujarat State Coop. Union (GSCU) has lot of activities to perform for cooperative movement in the State, like imparting member's education about important aspects of cooperative movement, facilitating opinion formation about cooperative and representing cooperative movement to promote research regarding problems and prospects for cooperatives, publish propaganda materials for cooperatives and conduct training programmes for employees & board members at its six training centres in the state. GSCU shares responsibility with NCCT for training middle level executives at Udaybhansinghji Regional Institute of Cooperative Management at Gandhinagar. URICM has been organising, annually, more than 60 need based training programmes on various subjects and sectors along with a 24 weeks Higher Diploma Course in Cooperation. 50% of its budget is met by GSCU. The Union has also been organising training programmes for primary societies at its five training centres located at Nadiad, Mehsana, Surat, Bhavnagar and Rajkot. All the five Centres have been organising at least two sessions of 24 weeks Diploma in Cooperation besides organizing Programmes on Auditing, Banking, Dairy etc., and other relevant subjects required by the primaries. The general health of these institutions need to be taken care of including the selection of the faculty who are either on extension or their services were hired after their retirement For member education, the GSCU is taking help of 38 male Cooperative Education Instructors who are working in 19 districts. They are constantly organizing education programmes for members, board members and employees at taluka/village level. They also organise camps for the public to make them aware of the contribution of cooperative sector in the rural economy of the State. Union organises special programmers for women through 19 Female Cooperative Education Instructors posted in each of 19 districts. GSCU has been allotted two field Education Projects by National Cooperative Union of India (NCUI). These projects are located at Ahmedabad (Rural) and Surendranagar. Each project comprises of a Project Officer, 3 Education Instructors, one Lady Cooperative Education Instructor and one Farm Guidance Instructor. The projects concentrate on all sided development of selected PACS. GSCU undertakes different activities to popularise the achievements of cooperative movement among the general public at large. It publishes weekly Sahakar and monthly magazine Gram Swaraj to project cooperative movement in the State. Both the magazines contain news, articles and other related information about

cooperatives in the state celebrating centenary year. Almost all cooperatives organisations were involved in the celebration and lot of publicity materials have been used in this event. Series of statements/slogans made by eminent personalities like Mahatma Gandhi, Jawahar Lal Nehru, Sardar Patel, Vaikunth Bhai Mehta etc., were exclusively displayed on the banners, which were placed at important locations in the State. Some significant Cooperatives like Amul (GCMF), Bardoli Sugar (Largest Cooperative in India), KRIBHCO, IFFCO, etc., along with their activities & performance were projected during the celebration. A Souvenir on this occasion was also brought out where along with the contributions of cooperative movement in the state, eminent personalities contributed their thoughts and articles in this Souvenir.

❖ **Typewise number of Co-operative Societies in Gujarat State by year :**

Table : 5

No.	Types of co-op.Societies	2011-12	2012-13
1	State Co-op.Bank	1	1
2	Central Co-op.Bank	18	18
3	State Co-op. Land Devp. Bank	1	1
4	State Industrial Co-op Bank	1	1
5	Primary Agri. Credit Societies	8517	8664
6	Nagrik Banks	250	250
7	Primary Non-agri. Credit Societies	5276	5385
8	Marketing Societies	1912	2008
9	Processing Societies	654	700
10	Milk & livestock	13728	14136
11	Farming	838	854
12	Fisheries	578	580
13	Consumers	1956	1955
14	Housing	17603	17683
15	Labour Contract	3477	3532
16	Forest labour	132	131
17	Irrigation	3605	3871

18	Transport	125	122
19	Electricity	4	3
20	Other Non-credit	3684	4302
21	Union & institute	38	36
22	Sugar	17	17
23	Industrial (P)	4573	4502



VALSAD DISTRICT : (STUDY SELECTED AREA)

Different education level of five talukas of dist Valsad of Gujarat can be seen .Base on the education level of the people, a variety can be seen in their languages, culture, living standard etc has undergone a huge changes in last two decades to go. Different type Cooperative society hear Following table in Valsad Dist : **Table : 7**

Sr.No.	Type of co-op.Societies	Valsad
1	State Co-op.Bank	0
2	Central Co-op.Bank	1
3	State Co-op. Land Devp. Bank	0
4	State Industrial Co-op Bank	0
5	Primary Agri. Credit	109
6	Nagrik Banks	2
7	Primary Non-agri. Credit	135
8	Marketing Societies	54

9	Processing Societies	4
10	Milk & livestock	441
11	Farming	3
12	Fisheries	21
13	Consumers	17
14	Housing	874
15	Labour Contract	92
16	Forest labour	10
17	Irrigation	45
18	Transport	3
19	Electricity	1
20	Other Non-credit	252
21	Union & institute	5
22	Sugar	1
23	Industrial(p)	78
	Total	2148

Source : Valsad Statistics Department

(A.4) Various Agencies Working For the Development of Cooperative Society in India :

1. National cooperative union of india

Established : 1929, Members : 208

National level federation : 17

State level Fedration : 151

2. National Agriculture Cooperative Marketing Fedration of india Ltd.

Established : 1958 ,Members : 839 Turn over : 20085.16 Milion

3. National Federation of Consumers Co operatives.

Established : 1965 Members : 141

Turnover : 14645.54 Milion

4. Agriculture Federation of State cooperatives Banks.(NESCOB)

Established : May -19-1964

Members : 31

5. Indian Farmers Fertilizer Cooperative Limited.(IFFCO)

Established : 1967

6. Krishak Bharti Cooperative Ltd.(KRIBHCO)

Established : 1980 Members : 7349

7. Tribal Cooperative Marketing Development Federation of india.

Established : 1987 Members : 28

8. National Cooperatives Dairy Federation of india Ltd.

Established : 1970 Members : 25

Turn over : 22.7 Milion

CHAPTER – 1 (B)

UNDERSTANDING OF THE SELECTED CO-OPERATIVE SOCIETY, INFORMATION RELATED TO KAPARADA AND DHARAMPUR TALUKA WORKING AND FUNCTION OF THE SELECTED CO-OPERATIVE SOCIETIES AND ITS MANAGEMENT.



INTRODUCTION TO VALSAD DISTRICT :

AND

KAPRADA TALUKA



VALSAD DISTRICT INFORMATION :

If we peep into historical background we shall not forget entry of parses at Sanjan port for for the first time in India. Parsee community spread throughout India from sanjan with their famous religious place "Fire temple" at Udavada in Pardi taluka of Valsad district. There is an ancient Jain pilgrim place at Bagwada on National Highway No.8 near Udavada, where there is constant rush of pilgrims.

"Khed Satyagrah" and grass agitation launched by late Ishwarbhai Desai in Pardi taluka put it before the country and world. There is a largest industrial estate at Vapi in Pardi taluka.

There is a parnera mountain known as fort of Chhatrapati Maharaj situated at about 5-6 kms. from Valsad to Pardi of Valsad taluka. A big fair is held on "Aatham" during Navaratri. Thousands of pilgrims bow down to Chandrika Mataji, Kalika Mataji, Hanumanji Temple, Shankar Bhagwan Temple on this mountain. Muslims also visit Dargah there.

Valsad district was discussed at national and international level as it was birth place of the Great person Shri Morarji Desai, Bharat Ratna and Ex. Prime Minister of India. A part from this Valsad district is famous for Valsadi Aafus mangoes, world famous chemical factories at Atul, largest industrial estate at Vapi, famous Valsadi Teak-wood. Valsad district is situated on south of Gujarat. There is an Arabian sea in west. There are series of Sahyadri mountains in the east. Valsad district has population of 14,10,680 and has area of 2,947.49 sq.kms area. It has good facilities and life style is good. It is a head quarters of Railway Defense Force and has training centre. Railway administration at Valsad has important divisions like loco sheds, dispensary, area manager office and vast railway colonies there is a vast M.P.M.C. market for sales of agricultural production manages and chikoos.

Tithal village situated at a distance of 5 kms from Valsad is being developed as tourist place as well as pilgrim place. There are "Saibaba" temple in a splendid complex, Sadhana centre of Jain Munis "Bandhu Triputi", "Shantiniketan Complex", "Swaminarayan temple" of Akshar Purushottam Bochasanvasi, etc, which neutrally attract tourists of various fields. The reason is, Tithal has a pleasing sea-shore. There are accommodations of Hotel "Toran" of Gujarat State Tourist Corporation, guest house of Roads and buildings department of the state govt. Hotel Tithal. Moreover, there are many hotels in Tithal for tourists to stay. There are a temple and complex of "Bhagwan Dattatreya" at village Pathri on Dharampur road of Valsad taluka. People of Valsad district have good faith in it is rapidly emerging as a tourist centre.



INTRODUCTION TO KAPRADA AND DHARAMPUR TALUKA :

Dharampur and kaparada taluka of valsad district are mostly tribal areas. They are in the lap of sahyadri mountain chain. Hill station of this district are comparable to any other hill stations in India. However, there are negligible accommodation for lodging and boarding on account of inaccessible areas however, the area has good potentiality of its development as tourist centers on account of flowing rivers and springs high mountains, dense forest and natural beauty. There is a "District" science centre at dharampur with modern scientific instruments exhibiting and demonstrating various rules of science, which has become the centre of attractions for science lovers not only from valsad district but also from maharashtra state and Dacha and Nagar Haveli union territories. Splendid temple of an idol of eight metals of Bhagwan "Bhav Bhaveshwar" constructed by maha mandaleshwar vidyanandji saraswati maharaj and its complex is emerging as a pilgrim place at Barumal "Sahayadri Srushti Centre Constructed by forests department. particularly under supervision of Shri P.S.Valvi, the then D.F.O. of Valsad south Division is a centre of tourists attraction for the passers by going from valsad to Nasik, where there is a treasure of innumerable herbs from natural sources. It is a wealth of tribble forests. There are 2.50 types of trees and 225 types of medicinal herbs.

Kaprada Talukas Population is 202862. And 128 Villages.



Co-operative Society of Taluka Kaparada :

Different education level of five talukas of dist Valsad of Gujarat can be seen .Base on the education level of the people, a variety can be seen in their languages, culture, living standard etc has undergone a huge changes in last two decades to go. One can not ignore the opportunity in term of trade, religion, heritage, and industry in these areas under study. Even today one can see the presence of traditional as well as modernization touch in the business of these local areas. The areas are surrounded by lust green natural beauty covering the areas by hill. Even till date, many areas are under developed. Due to bad economic condition, many people are still living below poverty line. We find good presence to traditional system of "HAAT" bazaar catching the heart of local peoples. People prefer to visit such bazaar for buying their basic requirement .The political benefits has not reached this areas and that is also responsible for underdevelopment of this areas. Considering all the above mention factors.



The Selected Cooperative Societies And Its Management :

Introduction and Background

Vansda in Maharashtra was a place with huge tracts of wastelands. However the irony was, despite good rainfall, water was scarce in non-monsoon months due to undulating nature of land; the tribal farmers though owning land, migrated to nearby mango orchards for work as nothing grew on their lands. To address these issues. Arvind Mafatlal invited Manibhai Desai, a renowned livelihood interventionist to the Vansda area.

Manibhai Desai, a Gandhian with a firm belief in peoples' ability to make choices, started Bharatiya Agro Industries Foundation, BAIF, in 1967 in Pune. He was determined that technocrats and managers would run BAIF as a profitable, self-sustaining business. He conceptualized delivery system for services by taking up door to door service, and encouraged local youth to take up management of the processes.

Drawing on his Urulikanchan experience in soil conservation, production optimization and co-operative management, Manibhai Desai took up the task of formulating a multi-pronged approach to 'Market-led Livelihood Intervention' for the Vansda area under the banner of Dhruva. The Dhruva banner was based on the *wadi* [orchard] model for promotion of community-based organizations, which succeeded in linking individual tribal farmers to the market. As developing orchards required high investment, it was supported with grants, whereas marketing, a commercial activity, was carried out with the help of technocrats and management professionals. Both required the tribal farmers to achieve the goal of self-sufficiency.

Dhruva envisages a local economy based approach that aids production of goods that can be marketed locally as well as in the outside markets. It saw its work as building a local market network, interlinking groups of producers such as farmers, vermi-compost suppliers, sapling growers, and technical expertise with other service providers for their mutual benefit.

✓ **Organizational Structure**

VASUNDHARA was promoted by BAIF in 1995 as an independent organization to take up marketing of the produce from the *wadis*. The set of organizations through which procurement, processing and marketing of the produce from the *wadis* is managed include:

- BAIF/Dhruva, the promoting organization
- The individual production units, the *wadis* or orchards owned by each tribal family, SHGs for women which take up vermi-composting inputs for the *wadi*, as well as marketing
- The *Ayojan Samitis*, the informal village organizations which manage the processing
- Their federations, the tribal co-operatives. VASUNDHARA, the mango and cashew marketing co-operative is one of them. The marketing co-operative has processing agencies for cashew and mango, for e.g. Kaprada for cashew and Vansda for mango pulping and pickling.

✓ **Production Process**

The production process involves the following steps:

1. Wadi Production*
2. Collection by Ayojan Samiti
3. Decentralized primary processing centers
4. Finishing unit in the co-operative – VASUNDHARA, Kaprada
5. Federated marketing team.



The produce of the *wadis* in the form of mango and cashew is procured by the *Ayojan Samitis*. The quantities of mango are notified *wadi* wise to the *Ayojan Samiti*, which fixes a particular date and time for the produce to be brought for processing at the primary processing centers. This ensures that the fruit does not perish due to lack of facilities in the temporary premises, the village schools in this case, for processing of mango. On receipt of the semi-

processed product the marketing co-operative routes the payment to the individual *wadi* owners, with an additional commission of one rupee per kilo to the *Ayojan Samiti*.



The Wadi Idea Wasteland Development Activities

Tribals were migrating to work in nearby mango orchards, but the reality was, the tribal farmers aspired to own the orchard that they worked in. The farmers each typically owned 3-5 acres of wasteland. While some paddy was grown during the monsoon, water was a scarce resource in the non-monsoon months because of the undulating nature of the land. There was ample rain and the farmers had skill and experience in growing mango, but the challenge was to supply a working model that would transform the land of each farmer into a mango orchard

Dhruva coupled the skill of farmers with the agro-climatic suitability of the land to come up with the *wadi* idea. Dhruva had to raise the capital for supporting the activity of each *wadi*, as well as for fertilizers and pesticides for four years.

Manibhai's credibility as an agriculture expert, his assurance that each tribal could own an orchard, and that BAIF/Dhruva would not take over their land, motivated some tribals into taking up the activity. Starting with the tried and tested soil and water conservation methods, Dhruva compensated farmers who took up soil conservation and pit digging activities on their own land. Before planting mango, Dhruva experimented with various different combinations of trees for maximizing returns and reducing risks. Mango varieties were chosen with the market in view, but grafted saplings were used to increase sturdiness and adaptability to the local terrain. An agricultural expert from KFW, Germany, did a survey and recommended that cashew should be included. Understanding the need for fodder in the cattle rearing area, fodder plants were planted around the border. Eventually the farmer moved into the orchard, and grew a kitchen garden for his family's consumption.



11 tribal cooperatives have been established in DHRUVA's operational area. Each Cooperative covers around 10-15 villages. The members, both women and men are participants of the Comprehensive Tribal Development Programme. The cooperatives are involved in commercial and promotional activities needed for *wadi* produce such as procurement, processing and

marketing of agricultural produce of members mainly mango and cashew, operation of Agro Service Centres, mango graft trading, roof tiles trading, etc. Cashew processing remains the major activity of these cooperatives.



SUCCESSFULLY WORKING CO-OPERATIVE SOCIETIES IN KAPRADA AND DHARAMPUR TALUKA :

- 1 Mandava
- 2 Tutarkhed
- 3 Sutharpada
- 4 Dhamani
- 5 Karchondh
- 6 Karjun
- 7 Dixal
- 8 Pindaval
- 9 Gadi
- 10 Pendhardevi





Kaprada talukas selected Successful cooperative societies in Research Study :



Shree Pindaval Vibhag Bagayati sahkari Mandali ltd,Pindaval taluka : Dharampur Dist
Valsad



Shree Karchond Vibhag Bagayati Sahkari Mandali Ltd. Karchond,
Taluka Kaprada Dist Valsad

❖ Above Selected Cooperative Societies Following Villages Covered area in Dharampur & Kaprada Taluka in Valsad District

1	Samarsingi	13	Madhuban
2	Vaghval	14	Dahikhed
3	Pangarbari	15	Varna
4	Ranveri	16	Hedalbari
5	Piprol	17	Burvad
6	Upalpada	18	Vadijanganal
7	Ulaspidi	19	Fatehpur
8	Ambosi	20	Nagar
9	Pandavkhadak	21	Sukalbari
10	Bhanvad	22	Kaprada
11	Pindaval	23	Jirrvad
12	Karchond		

CHAPTER – 2

LITERATURE REVIEW

Literature review

Literature review of co-operative societies operating at international level, in India and Gujarat.

Prof. Vijay S.Patel *; Prof.. Chandresh B. Mehta (2012) ¹ in the article “A Financial Ratio Analysis of Krishak Bharti Cooperative Ltd ”The Financial Statements are generally prepared for the measurement of financial position of a particular company for a particular period of time. The financial statements i.e. (i) Profit and loss account and (ii) Balance sheet provide useful information regarding financial situation of company. The information has its own value, but if some one wants to have better judgment of the concern, he has to analyse them. This paper provides the guidelines about analysis of profitability ratio of Krishak Bharati Co-operative Ltd. located at Kawas-Hazira in Surat District.

Gross profit ratio from the year 2000-01 to 2008-09 lies between 19.45% to 38.25%. Gross profit of the year 2003-04 was the highest at 38.25% which displayed the good sign for the company. Where as in the year 2008-09 it was 19.45% which is not good sign for the company. Gross profit ratio is very much satisfactory. Net profit ratio from the year 2000-01 to 2008-09 lies between 3.84% to 19.08%. The average ratio was 11.63% net profit ratio was found to be below the gross profit ratio. It discloses that operating expenses are more in all the year which shows very critical situation of the Company. Earning Per Share was very satisfactory in all the years except in the year 2002-03. The EPS in the year 2008-09

was Rs. 639483, which is six times more than original value, which is good sign for the company. Return on capital employed from the year 2000-01 to 2008-09 lies between 2.04% to 13%. Except 2002-03, this ratio shows minor difference in it. The highest ratio was 13% in the year 2005-06, which shows the good sign of the company. Conclusions should be considered as guiding factors to determine how far the goals were deviated and what should be done to improve the existing financial position. The following recommendations are The company should increase the production vis-a-vis sales. The company should also concentrate on quality products. Looking to the total investment made, this is one of primary steps to strengthen the company. The gross profit ratio is satisfactory. However, net profit ratio is not in commensurate with gross profit ratio. Hence the post production expenses and financial charges need to be curbed. company has made the use of ownership capital. Since the rate of profit of the company is more than the rate of interest prevailing in the market on the borrowed capital, the company can obtain borrowed capital in order to take the advantage of trading on equity and ultimately increase the earning per share. The credit policy for the debtor is not favorable the company does not receive collection from the debtor at the right time. The credit policy should be made effective so that collection from debtor can be received at the earliest.

Tejani Rachana (2011)² in the research project “ Financial Inclusion and Performance of Rural Co-operative Banks in Gujarat ” In an Index of Financial Inclusion, India has been ranked 50 out of 100 countries. Only 34% of the India’s population has access to basic banking services. The objective of the paper is to study financial inclusion in rural areas, reasons for low inclusion, satisfaction level of the rural people toward banking services and to assess the performance of the banks which are working in the rural areas which mainly include the co operative banks and regional rural banks. Structured questionnaire designed on the basis of literature review was used to collect data from 200 people residing in Ambasan, Jotana and Khadalpur villages of Gujarat. The paper first describes in detail the financial inclusion status in India and Gujarat followed with a review of scenario at the global level. The third section analyses the data with the help of Chi-square test and Tabulation followed with the discussion of analysis, recommendations and conclusion indicating that there is lot of opportunity for the commercial banks to explore the rural unbanked areas. Though Regional Rural Banks (RRBs) and Primary Agriculture Credit Societies (PACS) have good coverage but most of them are running into losses. Commercial banks should seize this opportunity rather than looking at it as a social obligation.

There is lot of opportunity for the commercial banks to explore the rural unbanked areas. Though RRBs and PACS have good coverage but most of them are running into losses. Again, the number of kisan credit cards issued and the amount of credit granted under it is also showing a declining trend. Commercial banks should seize this opportunity rather than looking at it as a social obligation. Going with Mahajan and Laskar (2010), let us enable every Indian to conduct a financial transaction, a deposit or a withdrawal, a payment or a receipt, of up to Rs 1000, in a secure and convenient way, by going less than 1000 metres away from home or work place, at an all-in cost, including authentication, transaction authorisation, cash-in/cash-out and non-repudiation (using printed paper receipts), for less than 1000 paise, or Rs 10. At a transaction size of Rs 1000, this would be one percent. Let us all in the financial sector take a pledge to usher Universal Financial Inclusion for all Indians by 2020.

Dr. Baldev M .Patel (2013)³ in the article “ **Social Services Provided by Selected Credit Co-Operative Societies of North Gujarat** ” Various social services are rendered for the welfare of the members by credit co-op societies. These services include death benefit, support on acute illness, facilities for the panel of the doctors, ambulance van, medical camp etc. The activities related to education include education loans, educational training, different competitions, awards and prizes. Thus they help in social development. Besides imparting educational trainings, awards etc, vocational training is provided to equip the beneficiaries for employment. Computer training, training classes for tailoring are also run. It also fulfills the social responsibilities related to marriage incentives, social upliftment, accident, natural calamity etc are considered vital. There are so many provisions for the members such as mediclaim, accident insurance, group insurance and member insurance policies. This research paper brings into light the various services rendered by the credit co-op societies.

Average 19% credit co-operative societies render healthrelated services, 23% credit societies render educational services, 32% credit societies provide social motivation, 32% credit societies provide insurance related services and 12% credit societies render retirement scheme benefits.

Jigna Trivedi*, P K Priyan** and Vinay Bhide (2011)⁴ in their research “ The Role of Dairy Cooperatives in Women Empowerment ” People of rural India face a lot of hardships to earn livelihood. A majority of them are engaged in agriculture, animal husbandry and other ancillary activities. Income from agricultural activity has been as erratic as the monsoon. Hence, rural people are forced to think of generating additional revenues. Since these people are less literate and possess limited skills, the hunt for alternate source of income is constrained to a few occupations. A majority of them choose rearing of milch cattle and selling the milk as a source of secondary income. Cattle rearing is a diversification from

existing agricultural activity. Largely, rural women are engaged in this activity. These rural women, besides doing hard household chores, also undertake the taxing job of cattle rearing. They supply the milk to the well-established district cooperative dairies working successfully on the Anand model. The present paper is an effort to study the role of district cooperative dairies in helping the women to be self-reliant, self-employed, self-diligent, and empowered.

From the findings of the study we can conclude that the income of the respondent is dependent on the number of cattle reared, but the quantity of milk does not vary directly in proportion to the number of cattle reared. This occurs because, (a) all the cattle may not give milk at the same time; (b) at the time of artificial insemination the calving intervals are not timed properly among cattle; (c) difference in length of lactation; and (d) fertility problems in cows and buffaloes leading to low yield of milk. Due to these reasons, the quantity of milk varies, irrespective of the number of cattle reared, and so the monthly income also varies. The findings also suggest that respondents face price discrimination on the basis of the quality of milk, i.e., the fat content, but they do not face any price discrimination with respect to the place from which they supply the milk. Thus, we can say that VCS/DCS observes uniform price determination method. As high as 86% of women have educational qualification less than SSC, however, this was not the prime reason for their non-empowerment. It could be due to the fact that still male dominance is prevailing in villages and therefore women lack empowerment as they still believe that only men can take crucial decisions. As 95% of women were married, hence it is inferred that the husbands take majority of the decisions. However, only 33% of males handle the dairy income of women. 55% of women keep the income with themselves, but still lack financial empowerment. In the remaining 12% cases, the income was handled by either father or father-in-law. But the income generated was less than 3,000 in the case of 52% of women. Based on the findings of cross-tabulation and layering condition, it can be concluded that partially qualified women, who earned a meager income of 3,000 by selling milk stated it to be their primary source of income. This indicates the role of dairy income in the life of poverty-stricken families. A sizable number of families (76%) had more than four dependent members. This is the major reason for the financial crunch in their families. Thus, women did not have enough financial resource to obtain empowerment. Education level has not contributed to income. A large number of respondents (85%) have stated dairy income to be their primary source of income, out of which 76% had more than four dependent members in their family. This implies that the income is insufficient in the absence of other supplementary income. The higher cost of cattle feed is also one of the reasons for the financial crunch. Other secondary sources of income could not be generated due to lower educational

qualification and higher level of other noneconomic responsibilities. The research also indicated that women were not enthusiastic about the idea of support floated by 'Madhur' that the revenues generated from selling milk should be exclusively handled by women. They are still in the clutches of male-dominated society. The most preferred options by milk farmers to supply milk to Madhur was the availability of year-end bonus, uniform prices based on the quality of milk and regular money receipts. These healthy practices should be continued. On applying weighted average method for the statements pertaining to the support expected from the district cooperative milk union, it was found that women gave first preference to opportunities for educated women to work as employees of VCS/DCS. They also preferred encouraging women to participate in the meetings of VCS/DCS. They also suggested providing cattle loans, helping women to restart closed dairies, organizing seminars to educate women, reserving at least two seats for women in administration, and allowing two members from one family to become members of VCS/DCS. They gave least importance to the issue of whom to hand over the money generated by selling milk. 'Madhur' should address the burning problem of costly cattle feed. It should bring forth the issue to the notice of the government and try to arrange for subsidized cattle fodder. The one-time waiver of agricultural debt of farmers from banks provided by the government is not sufficient to help the farmers. Rather the government should set up a network to supply cattle feed at a subsidized rate to every district cooperative milk producing union, which in turn will supply the same to the milk farmers. This step would grant some relief to the milk farmers. 'Madhur' should also take initiatives to educate them about the healthy cattle rearing practices by which they can enhance the productivity of the milch animals and also maintain appropriate calving interval. Importantly, they should be encouraged to be empowered financially.

Dr. Ruchira Prasad And Dr. Ruchira Prasad (2013)⁴ in the article "A Case Study of Amul Cooperative in Indian in Relation to Organizational design And Operational Efficiency " Organizational Structure can improve the working condition of an organization and a poor structure can ruin all the possibilities of openness, dynamism and decision-making. Organizational effectiveness on the other hand, is the extent to which an organization, given certain resources and means, achieves its objectives without placing undue strain on its members. Another important role is played by the technology. More an organization is able to adapt itself to the changing technology the better will be its efficiencies. In the present research paper a relationship between the designs of an organization with its operational efficiency indicators has been examined in the context of Amul.. The factors were studied in context to a cooperative form of organization and while comparing with the corporate form, it was found

that the design of the basic structure is somewhat different as it believes in the federal form of structure each unit is independent of each other. It is a popular belief that co-operatives are a failure, but Amul with Co-operative Structure is a grand success. Amul has an appropriate blend of policy makers, technology and a support system to the milk producers without disturbing their agro-economic system and ploughing back the profits, by prudent use of men, materials and machines.

Looking back at the path traversed by AMUL, the following features make it a pattern and model for emulation elsewhere. Producing an appropriate blend of the policy makers, farmers board of management and the professionals, bringing the best of the technology to rural producers, providing a support system to the milk producers without their agro-economic system and plugging back the profits, by prudent use of men, material and machines. Even though growing with time and on scale, it has remained with the smallest producer members. AMUL is an example par excellence, of an intervention for rural change.

Deepali Kapoor Suri* and Shilpi Singhal (2013)⁵ in the article “ Comparative Analysis of Financial Perfomance of Indian Farmers Feertilizers Cooperative Ltd (IFFCO) ” In today globalized economy competition is found all over the world. To remain competitive and grow profitably, it is essential that every business entity achieve its financial goals. Financial analysis is mainly done to compare the growth, profitability and financial soundness of the respective company by diagnosing the information contained in the financial statement. The study is an attempt being made to identify the financial performance and how the performance is going on for the last five years, of Indian Farmers Fertiliser Co-operative Limited, popularly known as IFFCO, on the basis of establishing relationship between the items of balance sheet and profit & loss account. For establishing the relationship various types of ratios such as solvency, liquidity, activity and profitability are used. The period of study is taken from the year 2007-08 to 2011-12.

It can be concluded from the study of 5 financial periods of IFFCO that the maximum Financial Indicators of IFFCO are not at a very good position. From the analysis of main Financial Indicators it is clear that Operating Profit to Turnover Ratio, Fixed Assets Turnover Ratio, Debt Equity Ratio, Current Ratio, Liquidity Ratio, etc are at a desirable position. However, company's Return on Capital Employed, Profit before tax to Turnover, etc were undesirable as compared to Previous Years.

Anil Kumar Soni and Dr. Harjinder Pal Singh Saluja (2012)⁶ in the article “ Role of Cooperative Bank in Agricultural Credit : As Study Based on Cahhattisgarh ” The cooperative banking sector is one of the main partners of Indian banking structure, the cooperative banks have more

reach to the rural India, through their huge network of credit societies in the institutional credit structure. The cooperative sector has played a key role in the economy of the country and always recognized as an integral part of our national economy. Cooperatives have ideological base, economic objects with social outlook and approach. The cooperative covers almost all cent percent villages in India. The cooperative form of organization is the Ideal Organization for economically weaker sections in the country. According to recent study by World Bank and National Council for Applied Economic Research, the Primary Agriculture Credit Societies (PACS) amount for about 30 percent of micro credit in India. This paper attempts to analyze the role of co-operative bank in agricultural credit.

Cooperative banks belong to the oldest forms of the collective action in India playing essential role in the realization of the agricultural and in local development. They serve both rural and urban population, and are main banks in India supporting development of agriculture and rural areas. Their key role is to give credits financing various rural based entrepreneurships. Agricultural credits play a number of significant functions of which the primary include the intensification and growth of the agricultural production. In a developing State like Chhattisgarh with huge deficits in terms of quality and quantity, the State has to shoulder the primary responsibility of providing cooperative credit. Considering the low living standards of common man, incomplete and imperfect markets, and other socio political considerations it is the primary duty of the government to ensure that its citizens have easy access to cooperative credit.

Dr. M. S. Ramananda And Dr. M. Jayaprakash (2012) ⁷ in the article “ Impact on Vydhanadhan Committee Recomendations Of Wangapally Primar Agricultural Cooperative Credit Society ” Cooperatives as an institution in India are more than a century old. With more than a lakh grass root level cooperatives, their presence is formidable. Notwithstanding, impressive gains made by cooperatives in terms of their rural outreach and coverage of small and marginal farmers, their financial health has been a matter of concern. The study is an attempt made into the factors which impact financial health of cooperatives reflected through their recovery performance. The major findings of this study government should allow the cooperatives to evolve in a natural manner rather than through initial official encouragement and subsequent intervention. Government’s contribution to share capital of cooperatives should be stopped. There is also a need to revisit the issue of appropriate member size for a base level cooperative so that cooperative principles are internalized amongst members. Very large cooperatives should be avoided both in principle and practice. The attempt should be either to completely dislodge government equity in the PACS or not to consider the PACS as cooperatives but to accept them as quasi

government ventures for which the parameters of performance needs to be revisited. The study also found that as deposits grow in proportion to borrowings, the recovery performance is adversely affected. Prudential norms were applied to cooperatives after introduction of liberalization of economy, which were recognized as principal institutional agency for providing agricultural credit in India. The Cooperative sector was passing through a bad time. It continued to be fragile. It became imperative to assess the financial and other operational inputs required to revive them. The National Federation of state cooperative banks and National cooperative Agricultural Rural Development banks federation have approached the Government of India to strengthen the Cooperative Credit System (CCCS) „by infusion of additional capital as had been done for the weak nationalized commercial banks and Regional Rural Banks. The Government of India appointed a task force headed by Jagadish Kapoor Committee on revival and restructuring package on cooperative banks on the 9th April 1999. The terms I of this committee to review the functioning of the Cooperative Credit Structure and suggest measures to make them Member Driven, Professional Business Enterprises. The Primary Agricultural Cooperative Credit Society Ltd., Wangapally has been registered with Registration No. 120/TH in the jurisdiction of the Deputy Registrar of Coop. Societies, Bhongir of Nalgonda District.

This study was an attempt to decipher the factors, which contribute to the financial health of the PACS, which form the base of the short-term cooperative credit structure prevalent in India. The study considered recovery performance of the PACS as the most suitable indicator of their performance. The results indicate that as the PACS have drifted from some of the core principles of cooperation, their recovery performance has suffered. As membership size has grown over the years in case of the PACS, their recovery has taken a beating because peer pressure, which ensures recovery, has gradually weakened. Thus there is a need to relook into the issue of optimal member size of the cooperatives in the interest of their viability. In conformity with popular perception, government’s contribution to the share capital is found to be detrimental for the recovery performance of the PACS. Government’s contribution in share capital not only gives it a hand to meddle with the affairs of the PACS; it might also be inducing indulgence amongst members because of the comfort of government bail out in case of difficulty. The latest amendment in the Vaidyanthan Committee’s recommendation that Government can retain 25 per cent of equity capital in case of PCAS needs to seriously given a second thought. The attempt should be either to completely dislodge government equity in the PACS or not to consider the PACS as cooperatives but to accept them as quasi government ventures for which the parameters of performance needs to be

revisited. The study also found that as deposits grow in proportion to borrowings, the recovery performance is adversely affected.

Prior to the restructurisation of the Credit Societies, there were totally (9) erstwhile PACSs in the Yadagirigutta Mandal, namely Yadagirigutta, Masaipet, Gowraipally, Mallapur, Kacharam, Wangapally, Motakandu, Chinna Kandukur and Pedda Kandukur. During the restructurisation, though all the societies were identified as non-viable societies, as such made focal points of (2) societies namely Yadagirigutta and Wangapally and as per the availability of geographical possibility the other societies were merged with these (2) societies as focal point societies as on 27-05-2005.

Kidane Mengistu And Dr.A Tamilarasu (Jan2014)⁸ in the article “ Study on financial Stability Analysis of Tukumma Agricultural Primary Multipurpose Cooperatives Horoguduru Wollegazone, Ormia Regional State Ethopia” Analyzing cooperatives financial statement is significant for members, government, other non-governmental organizations and researchers to understand the strengths and weaknesses in their operational system. The study unit and area is selected purposely, based on the year of establishment and availability of financial statements for the five years (2008-2012). To attain the objectives of the study the researcher was considered five years audited report with regard quantitative data analysis by using the ratio analysis; over a period of 2008-2012 years; for showing the problem areas and for improving the financial stability by taking remedial action. study, it is concluded that the values of liquidity ratios such as quick ratio and net working capital ratio are above the standard. This indicates the cooperative financial position was good (or sound enough) to meet its current obligations, But current ratio, absolute liquid ratio and cash ratio of the cooperative are below the industry average, standard, that shows the financial position of the cooperative is not satisfactory to meet its short-term obligations. Finally, still there is a scope and hope for the betterment to maintain the optimum level financial stability in future, if the cooperative operate the activity in efficient manner, try to maintain the optimum level of financial stability in future, there is no doubt, it is clear Cristal that it will get the great success among the public and other cooperatives also, the day is not for off.

Zafar Ullah Malik and Athar Iqbal (May-2012)⁹ “A_ect of Working Capital Management on Firms Pro_tability in Sugar Industry of Pakistan ” Management of working capital performs a very vital part in the performance of firms in sugar industry. This thesis tests the impact of working capital management on firm’s profitability in sugar industry of Pakistan for years 1999 to 2009. To analyze this, data of 19 sugar mills which are listed at Karachi Stock Exchange is used. The result shows that the Sales Growth, Current Ratio, No of Days Inventory and No of Days Accounts Payables are

significantly affecting the profitability of the firms while Sales, Gearing Ratio and No of Days Account Receivables are insignificant in the research. Pearson Correlation and Multiple Linear Regression are used in this research to study the relationship between variables. Sugar sector which is the second biggest sector in manufacturing sector of Pakistan contributes to the economy significantly. Keeping in mind the importance of sugar sector in the economy of Pakistan objective of this research is to analyze the affect of working capital management on firm's profitability in the sugar sector of Pakistan. To carry out the research data from 19 sugar mills which are currently listed at Karachi Stock Exchange is analyzed. The results shows that profitability of sugar mills are significantly affected by the efficient management of working capital and working capital management play a vital role in creating a value for the shareholders.

Boris Nenide & Robert W. Pricer and S. Michael Camp(2012) ¹⁰ In the Article “The use of Financial Ratios for Research: Problems Associated with and Recommendations for Using Large Databases” A review of published research in the field of accounting and finance reveals that the use of ratio calculations with multivariate analysis for predicting the performance of business firms is common. However, much of this research uses large database information without determining if needed sample assumptions can be met for reliable conclusions to be drawn by the researchers. This paper presents recommended adjustment techniques for researchers using large databases for ratio calculation to allow for confidence that the results of analysis will be meaningful and that inferences may be drawn from the data. Using a sample from the Kauffman Center for Entrepreneurial Leadership Financial Statement Database, Balance Sheet and Income Statement data of 250 firms is used to illustrate and explain techniques for data error identification, handling the problem of denominators being negative or approaching zero when calculating ratios, and effective techniques for transforming the data to achieve approximation of normal distributions. The application of these recommendations will allow researchers to use financial statement data samples that will meet required characteristics for the use of valid multivariate statistical analysis.

CHAPTER - 3

RESEARCH METHODOLOGY

- (3.1) NAME OF STUDY
- (3.2) RESEARCH AREA OF ORGANIZATION
- (3.3) SIGNIFICANCE OF THE STUDY
- (3.4) SCOPE OF THE STUDY
- (3.5) RESEARCH GAPE
- (3.6) OBJECTIVES OF PROPOSED STUDY
- (3.7) TOOLS OF DATA ANALYSIS &
SOURCE OF INFORMATION
- (3.8) LIMITATION OF THE STUDY
- (3.9) CHAPTERAIZATION

(3.1) Title of the Study :

Financial Performance of Co- operative Societies – A Comparative Study on
(With Special Reference to Valsad District of Gujarat)

(3.2) Area :

a) Organisation :

- a) Shree Pindaval vibhag Bagayati Sahkari Mandali Ltd. Pindaval, Dist Valsad
- b) Shree Karchond Vibhag Bagayati Sahkari Mandali Ltd. Karchond, Dist Valsad

b) Details of the Selected Areas:

Brief of the area selected for the Study considered as a backward area falls under Valsad district of Gujarat State of India.

(3.3) Significance of the Study :

Today's world had become very competitive. In each field thousand's of competitors has entered the market. In the changing market scenario equipped with science and technology, they re struggling to survive in the market, whether it is a field of knowledge, business or any other Profession. Even the Indian economy is not free from the air of liberalization, privatization and globalization. The public sector has to become more active and should also take necessary measures to fit them in the changing economic scenario. With this objectives in mind the research on "Shree Pindaval Vibhag Bagayati Co-operative Society Ltd And Karchond Vibhag Bagayati sahkari Mandali Ltd. is undertaken. Where the financial performance of the same will be conducted keeping the current situation on the top. A study on the problem faced and its relevant solution, so that the people of these areas get good service from this co-operative society. This co-operative society can act as a role model to be followed by other society of the Kaparad Taluka. And Dharampur Other co-operative society can follow the management system for improving the financial position of the society.

(3.4) Scope of the Study:

A part from the selected co-operative societies, a similar study can be conducted for other co-operative societies of taluka of Kaparada And Dharampur They are as follow :

- Various service co-operative Society
- Credit Cooperative society
- Handicraft Industry

For the study purpose, researcher have selected (2) four similar activity Co-operative Societies of Valsad District of Gujarat state .There are lot of scope for any researched to conduct the study for above mentioned societies. The present study will focus only on financial analysis of the co-operative society; one can also conduct the study on same co-operative society, but from different angle like, marketing of the product falls under the preview of the society. Other opportunities can also be explore for the product. Identifying the problems face by the society or comparison between one or more co-operative society can be undertaken. Even comparison between one taluka co-operative society of same category can b done with similar type in some another taluka of same district or can also opportunities for some another district or state.

(3.5) Research Gap:

After reviewing the literature related to co-operative society published in various newspaper, journal, magazine and periodic etc, researcher has conducted the study based on financial data, where various financial tools for analysis the financial position of the co-operative society will be used. The study is limited to (2) co-operative society. The data relevant and useful for the study will be collected from financial data prepared by the co-operative societies. If required, from time to time a personal visit to the selected co-

operative societies will also be done, so as to gather more information related to its activity and function.

(3.6) Objectives of the proposed study

- ✎ To understand the working of Co-operative Societies in Valsad District in Gujarat
- ✎ To study the financial performance of selected Co-operative Societies.
- ✎ To make comparative study of the selected Co-operative Societies.
- ✎ To make suggestions for the betterment of the Co-operative Societies in general and selected co-operative societies in particular.

(3.7) Source of Information:

- Personal talk with the chairman of the selected co-operative society.
- Personal talk with the accountant of the selected co-operative society.
- Visit to the district industry center of Valsad district.
- Members of the co-operative society
- Other documents related to the study will be used:
 - ✓ Newspaper
 - ✓ Monthly Magazine
 - ✓ Gram Swaraj Magazine
 - ✓ Radio Programme related to the farmer
 - ✓ Books/literature/research papers/articles etc
 - ✓ Internet
 - ✓ Research conducted by other state co-operative society

- **Tool of data analysis and methodology :**

Ratio Analysis & Trend Analysis

- **Balance sheet ratios:**

1. Liquidity ratio
2. Current ratio
3. Proprietary ratio
4. Debt-equity ratio
5. Capital gearing ratio

- **Profit & loss a/c ratio:**

1. Gross profit ratio
2. Net profit ratio
3. Operating ratio

- **Inter-statement ratios/composite/mixed ratios**

1. Return on capital employed
2. Return of shareholders funds
3. Debtors turnover ratio

❖ **Classification by users**

- **Ratios for management**

1. Operating ratio
2. Debtors turnover
3. Stock turnover
4. Return on capital

- **Ratios for creditors**

1. Fixed asset ratio
3. Creditor's turnover

❖ **Classification by purpose/function**

1. Liquidity
2. Solvency/stability
3. Activity/performance
4. Profitability

(3.8) **LIMITATION OF THE STUDY**

1. The study has been conducted over a limited period of eight years only.
2. The study is mainly based on secondary data.
3. The study is limited to a Four Selected Cooperative society only.
4. The study is based on consolidated financial statement, which may lead to some errors and assumptions.

(3.9) **Chapterization** :

The research is conducted in the district Valsad of Gujarat State and for the same the study is divided into five (05) chapters as under:

CHAPTER 1 : Overview of Co-operative Society.

- (a) Introduction to the co-operative society, historical development, Advantages of co-operative society to the people, dis-advantages, position of the co-operative society(at international, national and in state of Gujarat with focus on district Valsad) various agencies working for the development of co-operative society in India.
- (b) Introduction to financial analysis, understanding of income and revenue, balance sheet, advantages of financial analysis, limitation, and understanding of ratio analysis as a tool for evaluating financial position.
- (c) Understanding of the selected co-operative society, information related to Kaparada and Dharampur taluka, working and function of the selected co-operative societies and its management.

CHAPTER 2 : Literature review of co-operative societies operating at international level, in India and Gujarat.

CHAPTER 3 : Research Methodology

Problem Statement, Significance of the study, its objectives and hypothesis, Source of data collection, types of study, Scope of the study, chapterisation, data collection and limitation of the study.

CHAPTER 4 : Data Analysis of last 06 years of the selected co- operative Societies.

CHAPTER 5: Findings and Suggestions.

CHAPTER - 4

DATA ANALYSIS

OF SELECTED COOPERATIVE SOCIETIES

❖ FINANCIAL RATIO ANALYSIS SELECTED COOPERATIVE SOCIETIES :

☞ Shree Pindaval Vibhag Bagayati Sahkari Mandali Ltd. Pindaval,
Taluka : Dharampur Dist Valsad

☞ Shree Karchond Vibhag Bagayati Sahkari Mandali Ltd. Karchond
Taluka Kaprada Dist Valsad

❖ Introduction of Financial Ratios :

Financial ratios are used to evaluate a company- Its Financial Strength, Management effectiveness, Efficiency and Profitability.

Ratios look at the fundamental financial aspects of the company. It gives you an idea about –

- The current financial position of the company
- where the company ranks among its peers and if it is properly priced by the market as reflected in its stock's price
- Overall, it helps you to decide if a particular company is worth getting involved with.

Since, ratios look at companies from the fundamental level; ratio analysis is also called fundamental analysis. Many investors use fundamental analysis alone or in combination with other tools to evaluate stocks for investment purposes. The ultimate goal is to determine the current worth and, more importantly, how the market values the stock.

(A) **STRUCTURAL RATIOS : Or**

SOLVENCY RATIO :

The solvency ratio is only one of the metrics used to determine whether a company can stay solvent. Other solvency ratios include debt to equity, total debt to total assets, and interest coverage ratios. However, the solvency ratio is a comprehensive measure of solvency, as it measures cash flow – rather than net income – by including depreciation to assess a company's capacity to stay afloat. It measures this cash flow capacity in relation to all liabilities, rather than only debt. Apart from debt and borrowings, other liabilities include short-term ones such as accounts payable and long-term ones such as capital lease and pension plan obligations. Measuring cash flow rather than net income is a better determinant of solvency, especially for companies that incur large amounts of depreciation for their assets but have low levels of actual profitability. Similarly, assessing a company's ability to meet all its obligations – rather than debt alone – provides a more accurate picture of solvency. A company may have a low debt amount, but if its cash management practices are poor and accounts payable is surging as a result, its solvency position may not be as solid as would be indicated by measures that include only debt. A company's solvency ratio should also be compared with its competitors in the same industry rather than viewed in isolation. For example, companies in debt-heavy industries like utilities and pipelines may

have lower solvency ratios than those in sectors such as technology. To make an apples-to-apples comparison, the solvency ratio should be compared for all utility companies, for example, to get a true picture of relative solvency.

1. DEBT EQUITY RATIO :

The **debt-to-equity ratio (debt/equity ratio, D/E)** is a financial ratio indicating the relative proportion of entity's equity and debt used to finance an entity's assets. This ratio is also known as **financial leverage**.

Debt-to-equity ratio is the key financial ratio and is used as a standard for judging a company's financial standing. It is also a measure of a company's ability to repay its obligations. When examining the health of a company, it is critical to pay attention to the debt/equity ratio. If the ratio is increasing, the company is being financed by creditors rather than from its own financial sources which may be a dangerous trend. Lenders and investors usually prefer low debt-to-equity ratios because their interests are better protected in the event of a business decline. Thus, companies with high debt-to-equity ratios may not be able to attract additional lending capital.

Calculation (formula) :

A debt-to-equity ratio is calculated by taking the total liabilities and dividing it by the shareholders' equity:

$$\text{Debt-to-equity ratio} : \frac{\text{Total Liabilities}}{\text{Net Worth}}$$

Optimal debt-to-equity ratio is considered to be about 1, i.e. liabilities = equity, but the ratio is very industry specific because it depends on the proportion of current and non-current assets. The more non-current the assets (as in the capital-intensive industries), the more equity is required to finance these long term investments.

Table : 1 Following table : Debt Equity Ratio of Pindaival And Karchond Cooperative Society

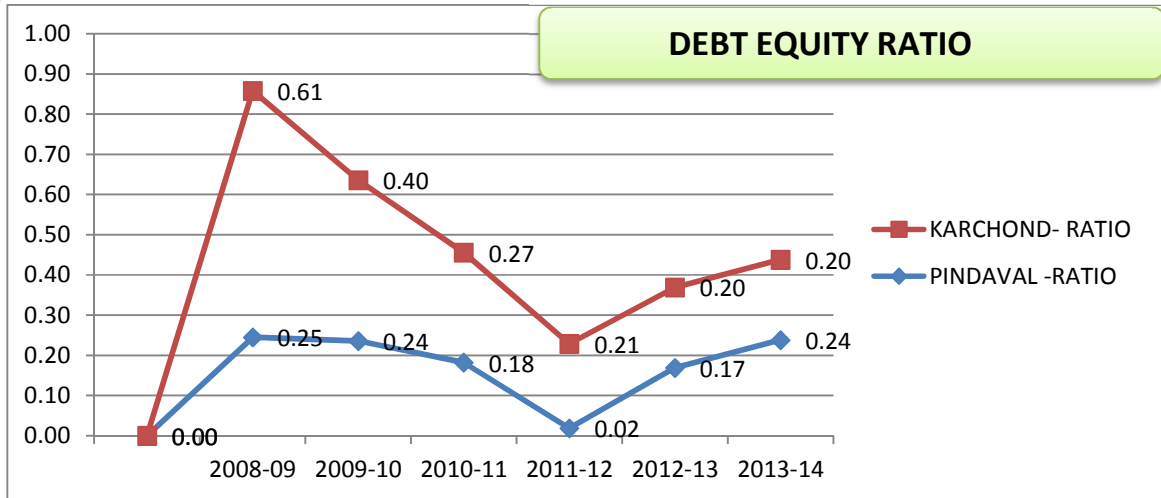
YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPERATIVE SOCIETY		
	TOTAL DEBT	NET WORTH	PINDAVAL - RATIO	TOTAL DEBT	NET WORTH	KARCHOND- RATIO
2008-09	245077	999820	0.25	849999	1387123	0.61
2009-10	307780	1304811	0.24	607972	1521929	0.40
2010-11	334206	1836816	0.18	680965	2489726	0.27
2011-12	42060	2261811	0.02	814517	3877053	0.21
2012-13	417164	2465714	0.17	819000	4092607	0.20
2013-14	537601	2260410	0.24	827670	4130855	0.20

Source: Compiled Calculated Data

INTERPRETATION

As per the table 1 debt-equity ratio of Pindaival Cooperative Sociiety is 0.25 in the year 2008-09 in subsequent years it is 0.24 in 2009-10, 0.18 in 2010-11, 0.02 in 2011-12, 0.17 in 202-13,0.24in 2013-14. The analysis clearly show that the ratio is Well in 2008-09 but it decreases in 2009 To 2012-1 and very bad position is 2012-13 again increases in 2013-14. it reflects that Pindaival Cooporative society does not have the stability in their Debt and have the positive relationship between Equity and debt as low. If we look at overall equity and debt ratio initially it increases in 2008-09 but decreases in All years

Whereas debt-equity ratio of Karchond Cooperative society is 0.61 in the year 2008 -09 in subsequent years it is 0.40 in 2009-10, 0.27 in 2010-11, 0.21 in 2011-12, 0.20 in 2012-13, 0.20 in 2013-14 The analysis clearly shows that the ratio is Very High in 2008-9 And Very low ratio in 2012-13. And 2013-14 ,



From the above c

2. GEARING RATIO :

The *gearing ratio* is the proportion of a company's debt to its equity. A high gearing ratio represents a high proportion of debt to equity, and a low gearing ratio represents a low proportion of debt to equity. This ratio is similar to the debt to equity ratio, except that there are a number of variations on the gearing ratio formula that can yield slightly different results.

The most comprehensive form of gearing ratio is one where all forms of debt - long term, short term, and even overdrafts - are divided by shareholders' equity. The calculation is:

$$\frac{\text{Long-term debt} + \text{Short-term debt} + \text{Bank overdrafts}}{\text{Shareholders' equity}}$$

Table : 2 Following table : Capital Gearing Ratio of Pindaval And Karchond Cooperative Society

	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATIVE SOCIETY		
YEAR						

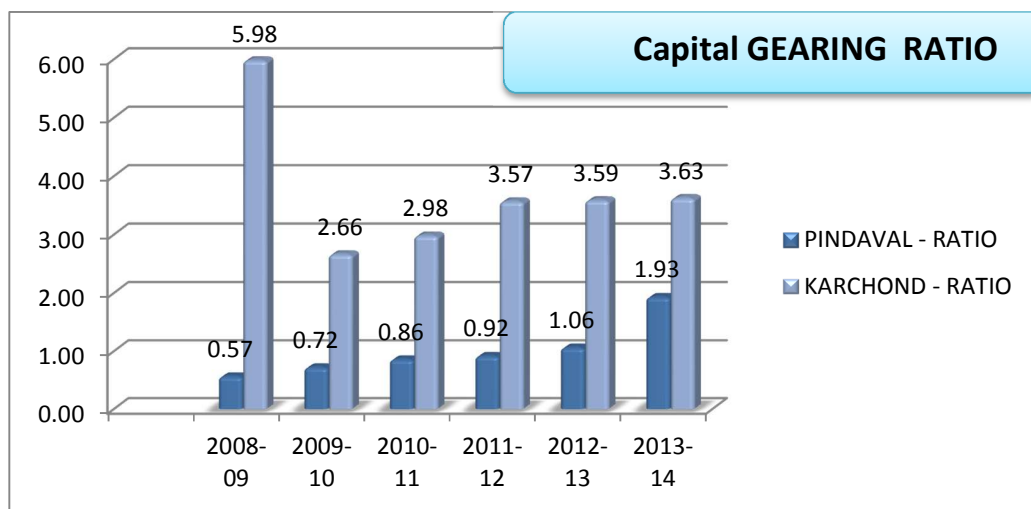
	Short + Long te. Debt	Share Equity	PINDAVAL - RATIO	Short + Long te. Debt	Share Equity	KARCHOND - RATIO
2008-09	245077	433400	0.57	1365547	228200	5.98
2009-10	312469	433400	0.72	607972	228200	2.66
2010-11	372457	433400	0.86	680965	228200	2.98
2011-12	397743	433400	0.92	814517	228200	3.57
2012-13	460970	433400	1.06	819000	228200	3.59
2013-14	837601	433400	1.93	827670	228200	3.63

Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph No .2 Show that Capital Gearing ratio of Pindaval Cooperative society is 0.57 in the year 2008-09 in subsequent years it is 0.72 in 2009-10, 0.86 in 2010-11, 0.92 in 2011-12, 1.06 in 2012-13 And 1.93 in 2013-14. The analysis clearly shows that the ratio is High in 2013-14 And after low ratio in 2008-09 in other study years..

Where as Show that Capital Gearing ratio of Karchond Cooperative society is 5.98 in the year 2008-09 in subsequent years it is 2.66 in 2009-10, 2.98 in 2010-11, 3.57 in 2011-12, 3.59 in 2012-13 And 3.63 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2009-10 in other study years..



From the above it can be concluded that Pindaval Cooperative Society is Good working in study period Because pindaval cooperative society' ratio first year is low but every year is increasing . the ratio maintain on ratio in management on Pindaval Cooperative society , and other society is Kaprchond cooperative society no maintain ratio so,we can say, Pindaval cooperative society Good and Well position better in other Cooperative society in valsad district.

3. PROPERATORY RATIO :

The proprietary ratio is the inverse of debt ratio. It is a part to whole comparison. The proprietary ratio measures the amount of funds that investors have contributed towards the capital of a firm in relation to the total capital that is required by the firm to conduct operations.

Formula

$$\text{Proprietary Ratio} = \text{Net Worth} / \text{Total Debt}$$

The ideal value of the proprietary ratio of the company depends on the risk appetite of the investors. If the investors agree to take a large amount of risk, then a lower proprietary ratio is preferred. This is because, more debt means more leverage means profits and losses both will be magnified. The result will be highly uncertain payoffs for the investors.

On the other hand, if investors are from the old school of thought, they would prefer to keep the proprietary ratio high. This ensures less leverage and more stable returns to the shareholders.

Table : 3 Following table : Proporary Ratio of Pindaval And Karchond Cooperative Society

YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATVE SOCIETY		
	NET WORTH	TOTAL RESPONSIBILITY	RATIO - PINDAVAL	NET WORTH	TOTAL RESPONSIBILITY	RATIO - KARCHOND
2008-09	999820	245077	408.0	1387123	1365547	101.6
2009-10	307780	312469	98.5	1521929	607972	250.3
2010-11	1836816	372457	493.2	2489726	680965	365.6

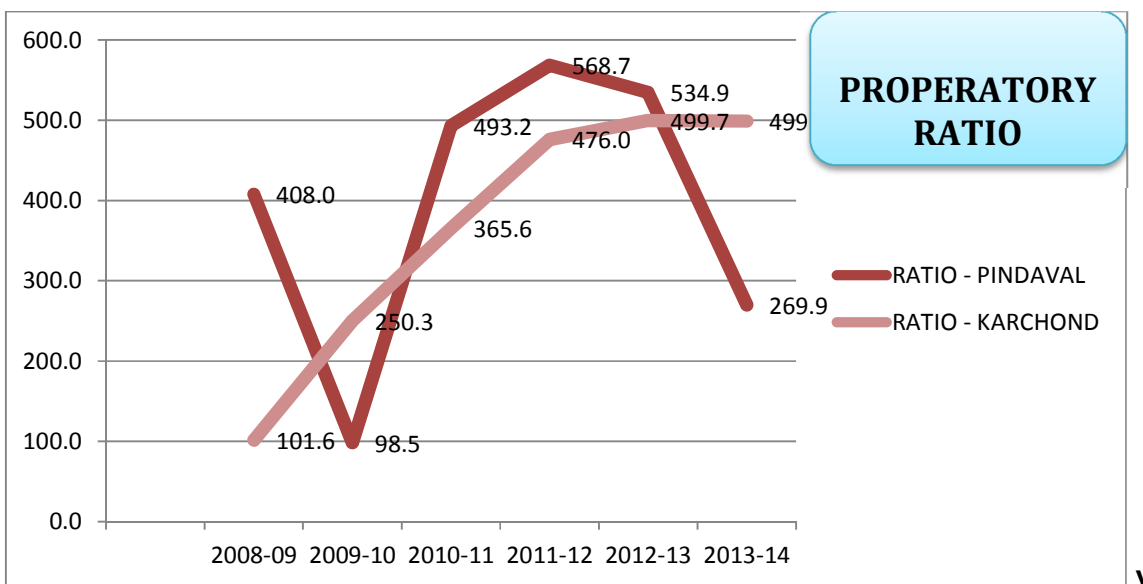
2011-12	2261811	397743	568.7	3877053	814517	476.0
2012-13	2465714	460970	534.9	4092607	819000	499.7
2013-14	2260410	837601	269.9	4130855	827670	499.1

Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph No .3 Show that Propertory ratio of Pindaval Cooperative society is 408 in the year 2008-09 in subsequent years it is 98.5 in 2009-10, 493.2 in 2010-11, 568.7 in 2011-12, 534.9 in 2012-13 And 269.9 in 2013-14. The analysis clearly shows that the ratio is High in 2011-12 And after low est ratio in 2009-10 in other study years..

Where as Show that Propertory ratio of Karchond Cooperative society is 101.6 in the year 2008-09 in subsequent years it is 250.3 in 2009-10, 365.6 in 2010-11, 476 in 2011-12, 499.7 in 2012-13 And 4.99 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2009-10 in other study years..



From the above it can be concluded that Pindaval Operative Society is Good Positin But in study period, ratio is every year change and last year is very low for above three years so, pindaval propertory ratio is no stability position. so ,No need take loan and do not need use of trade on equity., Karchond Co.operative society propertory ratio is good because every year maintain ratio increasing

Co.Op. have more Capital Its maintain on ratio every year management. . so,we can say, Karchond cooperative society better working To other Cooperative society.

4. FIXED CAPITAL –ASSETS RATIO :

As its name suggests, the fixed-asset-to-equity-capital ratio is made up of two parts: fixed assets and equity capital. A business's fixed assets are any type of physical assets that have an expected lifetime of at least one year. Buildings, vehicles, furniture and heavy equipment are all examples of fixed assets. Equity capital is the money that investors have put into a company. As a reward for these funds, investors receive part ownership of a business. These investors then hope that the business thrives and that the value of their shares in a company increases.

Calculate : Fixed Capital Assets Ratio : $\frac{\text{Fixed Capital}}{\text{Assets}}$

Fixed Assets

Table : 4 Following table : Fixed Capital – Assets Ratio of Pindaival And Karchond Cooperative Society

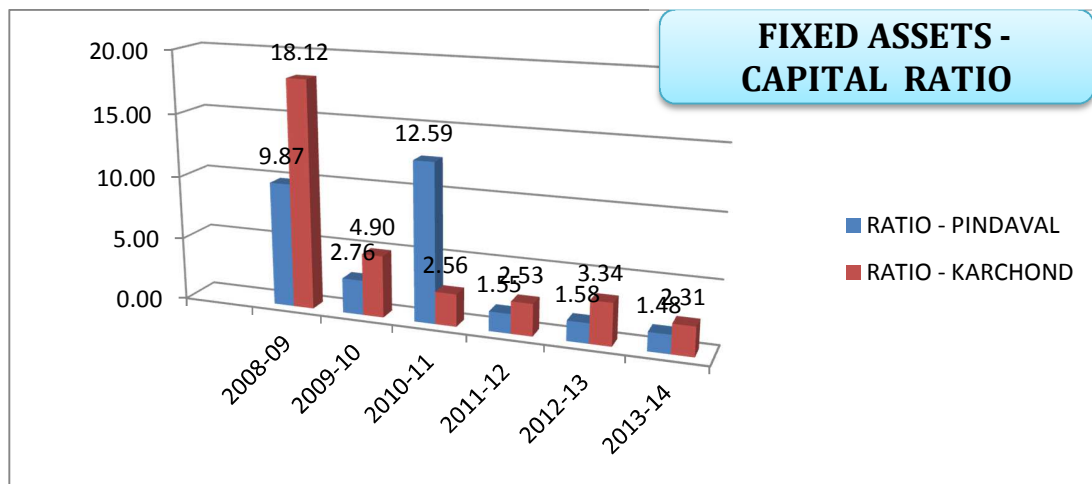
YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATVE SOCIETY		
	FIXED CAPITAL	FIXED ASSETS	RATIO - PINDAVAL	FIXED CAPITAL	FIXED ASSETS	RATIO - KARCHOND
2008-09	999820	101334	9.87	2237122	123466	18.12
2009-10	307780	111416	2.76	1521929	310594	4.90
2010-11	1836816	145881	12.59	2489726	971081	2.56
2011-12	2261811	1463513	1.55	3877053	1531653	2.53
2012-13	2465714	1557989	1.58	4092607	1225227	3.34
2013-14	2260410	1530012	1.48	4130855	1785590	2.31

Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph No .4 Show that Fixed capital-Assets ratio of Pindaval Cooperative society is 9.87 in the year 2008-09 in subsequent years it is 2.76 in 2009-10, 12.59 in 2010-11, 1.55 in 2011-12,1.58 in 2012-13 And 1.48 in 2013-14. The analysis clearly shows that the ratio is High in 2010-11 And after low est ratio in 2011-12 in other study years..

Where as Show that Capital Gearing ratio of Karchond Cooperative society is 18.12 in the year 2008-09 in subsequent years it is 4.90 in 2009-10, 2.56 in 2010-11, 2.53 in 2011-12, 3.34 in 2012-13 And 2.31 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2013-14 in other study years..



From the above it can be concluded that Karchond good working Cooperative Society ,because.First year ratio is very high and other year discreasing but avearege ratio that means Fixed Assets against More than Fixed Capital. And Pindaval cooperative society total capital;s against assets ratio change and no maintain ratio. so, We can say that Karchond Cooperative Society Purchase Fixed Asset's in Fixed Capital. Better cooperative society Karchond. So management is Good operating systems. to other cooperative society.

(B) LIQUIDITY RATIOS :

Liquidity ratios are the ratios that measure the ability of a company to meet its short term debt obligations. These ratios measure the ability of a company to pay off its short-term liabilities when they fall due.

The liquidity ratios are a result of dividing cash and other liquid assets by the short term borrowings and current liabilities. They show the number of times the short term debt obligations are covered by the cash and liquid assets. If the value is greater than 1, it means the short term obligations are fully covered.

Generally, the higher the liquidity ratios are, the higher the margin of safety that the company possesses to meet its current liabilities. Liquidity ratios greater than 1 indicate that the company is in good financial health and it is less likely to fall into financial difficulties.

Most common examples of liquidity ratios include current ratio, acid test ratio (also known as quick ratio), cash ratio and working capital ratio. Different assets are considered to be relevant by different analysts. Some analysts consider only the cash and cash equivalents as relevant assets because they are most likely to be used to meet short term liabilities in an emergency. Some analysts consider the debtors and trade receivables as relevant assets in addition to cash and cash equivalents. The value of inventory is also considered a relevant asset for calculations of liquidity ratios by some analysts.

The concept of cash cycle is also important for better understanding of liquidity ratios. The cash continuously cycles through the operations of a company. A company's cash is usually tied up in the finished goods, the raw materials, and trade debtors. It is not until the inventory is sold, sales invoices raised, and the debtors' make payments that the company receives cash. The cash tied up in the cash cycle is known as working capital, and liquidity ratios try to measure the balance between current assets and current liabilities.

A company must possess the ability to release cash from cash cycle to meet its financial obligations when the creditors seek payment. In other words, a company should possess the ability to translate its short term assets into cash. The liquidity ratios attempt to measure this ability of a company.

1. CURRENT RATIO :

The current ratio is balance-sheet financial performance measure of company liquidity. The current ratio indicates a company's ability to meet short-term debt obligations. The current ratio measures whether or not a firm has enough resources to pay its debts over the next 12 months. Potential creditors use this ratio in determining whether or not to make short-term loans. The current ratio can also give a sense of the efficiency of a company's operating cycle or its ability to turn its product into cash. The current ratio is also known as the **working capital ratio**.

Calculation :

The current ratio is calculated by dividing current assets by current liabilities:

The current ratio = Current Assets / Current Liabilities

Both variables are shown on the balance sheet (statement of financial position).

Table : 5 Following table : Current Ratio of Pindaival And Karchond Cooperative Society

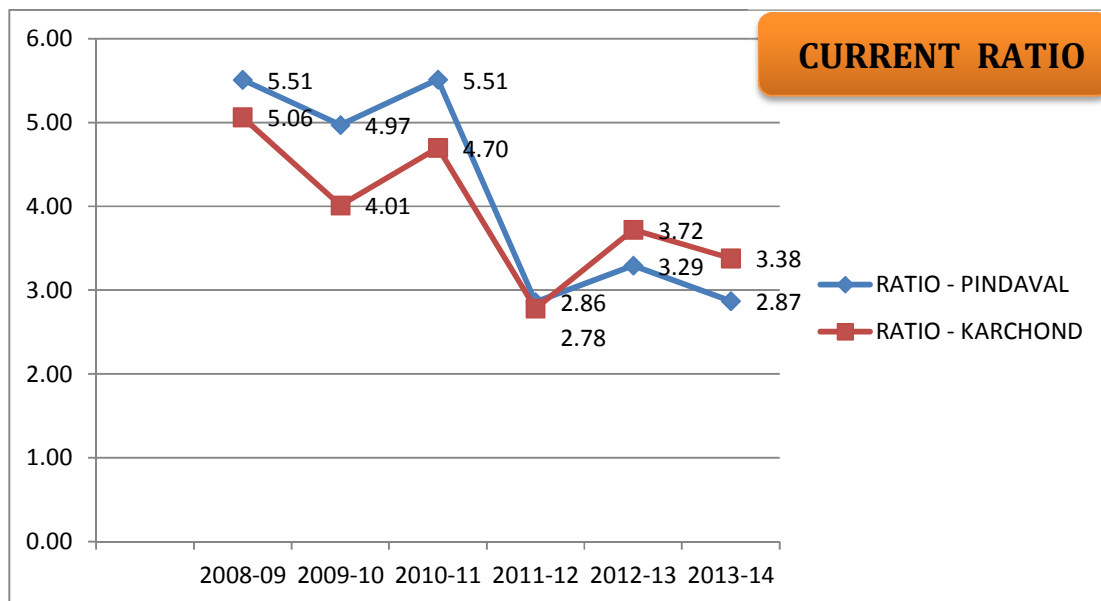
YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATIVE SOCIETY		
	CURRENT ASSETS	CURRENT LIABILITY	RATIO - PINDAVAL	CURRENT ASSETS	CURRENT LIABILITY	RATIO - KARCHOND
2008-09	1349642	245077	5.51	2610286	515546	5.06
2009-10	1529215	307780	4.97	2437459	607972	4.01
2010-11	2052393	372457	5.51	3199009	680965	4.70
2011-12	1137041	397743	2.86	2264389	814517	2.78
2012-13	1373426	417164	3.29	3045882	819000	3.72
2013-14	954841	332775	2.87	2795506	827670	3.38

Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph No .5 Show that Current Ratio of Pindaval Cooperative society is 5.51 in the year 2008-09 in subsequent years it is 4.97 in 2009-10, 5.51 in 2010-11, 2.86 in 2011-12,3.29 in 2012-13 And 2.87 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low est ratio in 2011-12 in other study years.

Where as Show that Current ratio of Karchond Cooperative society is 5.06 in the year 2008-09 in subsequent years it is 4.01 in 2009-10, 4.70 in 2010-11, 2.78 in 2011-12, 3.72 in 2012-13 And 3.38 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2013-14 in other study years..



From the above it can be concluded that Financial Liquidity position of Karchond and Pindaval cooperative society Comfortable financial position. But Every year maintain ratio is Pindaval cooperative society is better than Karchond Cooperative society in term of Current ratio.Pindaval society has more variations in Current ratio as compare to Karchond Cooperative society.

2. QUICK RATIO :

The quick ratio is a measure of a company's ability to meet its short-term obligations using its most liquid assets (near cash or quick assets). Quick assets include those current assets that presumably can be quickly converted to cash at close to their book values. Quick ratio is viewed as a sign of a company's financial strength or weakness; it gives information about a company's short term liquidity. The ratio tells creditors how much of the company's short term debt can be met by selling all the company's liquid assets at very short notice.

The quick ratio is also known as the **acid-test ratio** or **quick assets ratio**.

Calculation (formula)

The quick ratio is calculated by dividing liquid assets by current liabilities:

$$\text{Quick ratio} = (\text{Current Assets} - \text{Inventories}) / \text{Current Liabilities}$$

Calculating liquid assets inventories are deducted as less liquid from all current assets (inventories are often difficult to convert to cash). All of those variables are shown on the balance sheet (statement of financial position).

Alternative and more accurate formula for the quick ratio is the following:

$$\text{Quick ratio} = (\text{Cash and cash equivalents} + \text{Marketable securities} + \text{Accounts receivable}) / \text{Current Liabilities}$$

The formula's numerator consists of the most liquid assets (cash and cash equivalents) and high liquid assets (liquid securities and current receivables).

Table : 6 Following table : Quick Ratio of Pindaval And Karchond Cooperative Society

YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATIVE SOCIETY		
	QUICK ASSETS	QUICK LIABILITY	RATIO - PINDAVAL	QUICK ASSETS	QUICK LIABILITY	RATIO - KARCHOND
2008-09	661977	245077	2.70	1370468	515546	2.66

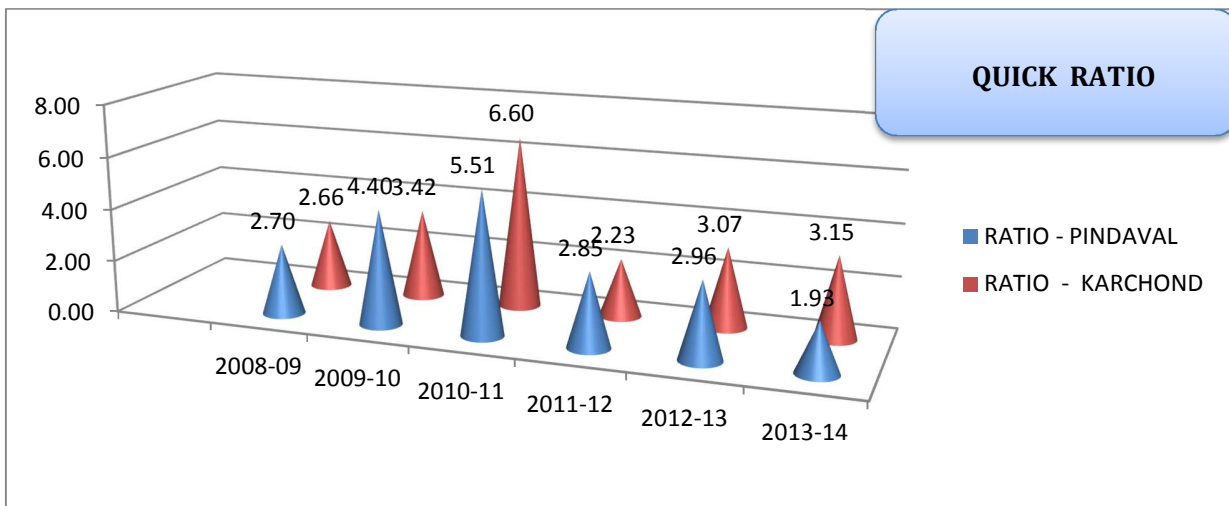
2009-10	1354811	307780	4.40	2077862	607972	3.42
2010-11	2050823	372457	5.51	3174068	480965	6.60
2011-12	1132718	397743	2.85	1815289	814517	2.23
2012-13	1234541	417164	2.96	2511974	819000	3.07
2013-14	640816	332775	1.93	2605550	827670	3.15

Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph No .6 Show that Quick Ratio of Pindaval Cooperative society is 2.70 in the year 2008-09 in subsequent years it is 4.40 in 2009-10, 5.51 in 2010-11, 2.85 in 2011-12, 2.96 in 2012-13 And 1.93 in 2013-14. The analysis clearly shows that the ratio is High in 2010-11 And after low est ratio in 2008-09 in other study years.

Where as Show that Quick Ratio of Karchond Cooperative society is 2.66 in the year 2008-09 in subsequent years it is 3.42 in 2009-10, 6.60 in 2010-11, 2.23 in 2011-12, 3.07 in 2012-13 And 3.15 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2013-14 in other study years..



From the above it can be concluded that Financial position of Pindaval and Karchond Cooperative society good position but, Karchond co.society maintain good ratio compare to Pindaval co

op society.so we can say Karchond cooperative society inventories are often difficult to convert to cash fast and good position .

(C) PROFITABILITY RATIOS :

Profitability ratios measure a company's ability to generate earnings relative to sales, assets and equity. These ratios assess the ability of a company to generate earnings, profits and cash flows relative to relative to some metric, often the amount of money invested. They highlight how effectively the profitability of a company is being managed.

Common examples of profitability ratios include return on sales, return on investment, return on equity, return on capital employed (ROCE), [cash return on capital invested](#) (CROCI), gross profit margin and net profit margin. All of these ratios indicate how well a company is performing at generating profits or revenues relative to a certain metric.

Different profitability ratios provide different useful insights into the financial health and performance of a company. For example, gross profit and net profit ratios tell how well the company is managing its expenses. Return on capital employed (ROCE) tells how well the company is using capital employed to generate returns. Return on investment tells whether the company is generating enough profits for its shareholders.

For most of these ratios, a higher value is desirable. A higher value means that the company is doing well and it is good at generating profits, revenues and cash flows. Profitability ratios are of little value in isolation. They give meaningful information only when they are analyzed in comparison to competitors or compared to the ratios in previous periods. Therefore, trend analysis and industry analysis is required to draw meaningful conclusions about the profitability of a company.

Some background knowledge of the nature of business of a company is necessary when analyzing profitability ratios. For example sales of some businesses are seasonal and they experience seasonality in their operations. The retail industry is example of such businesses. The revenues of retail industry are usually very high in the fourth quarter due to Christmas. Therefore, it will not be useful to compare the profitability ratios of this quarter with the profitability ratios of earlier quarters. For meaningful

conclusions, the profitability ratios of this quarter should be compared to the profitability ratios of similar quarters in the previous years.

(1) GROSS PROFIT RATIO :

Gross profit margin (gross margin) is the ratio of gross profit (gross sales less cost of sales) to sales revenue. It is the percentage by which gross profits exceed production costs. Gross margins reveal how much a company earns taking into consideration the costs that it incurs for producing its products or services. Gross margin is a good indication of how profitable a company is at the most fundamental level, how efficiently a company uses its resources, materials, and labour. It is usually expressed as a percentage, and indicates the profitability of a business before overhead costs; it is a measure of how well a company controls its costs.

Gross margin measures a company's manufacturing and distribution efficiency during the production process. The higher the percentage, the more the company retains on each Rs of sales to service its other costs and obligations, the better the company is thought to control costs. Investors use the gross profit margin to compare companies in the same industry and also in different industries to determine what are the most profitable. A company that boasts a higher gross margin than its competitors and industry is more efficient.

Calculation :

Gross margin is calculated as gross profit divided by total sales.

$$\text{Gross profit margin} = \text{Gross profit} / \text{Sales}$$

Table : 7 Following table : Gross Profit Ratio of Pindaival And Karchond Cooperative Society

YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATIVE SOCIETY		
	GROSS PROFIT	SALES	RATIO - PINDAVAL	GROSS PROFIT	SALES	RATIO - KARCHOND

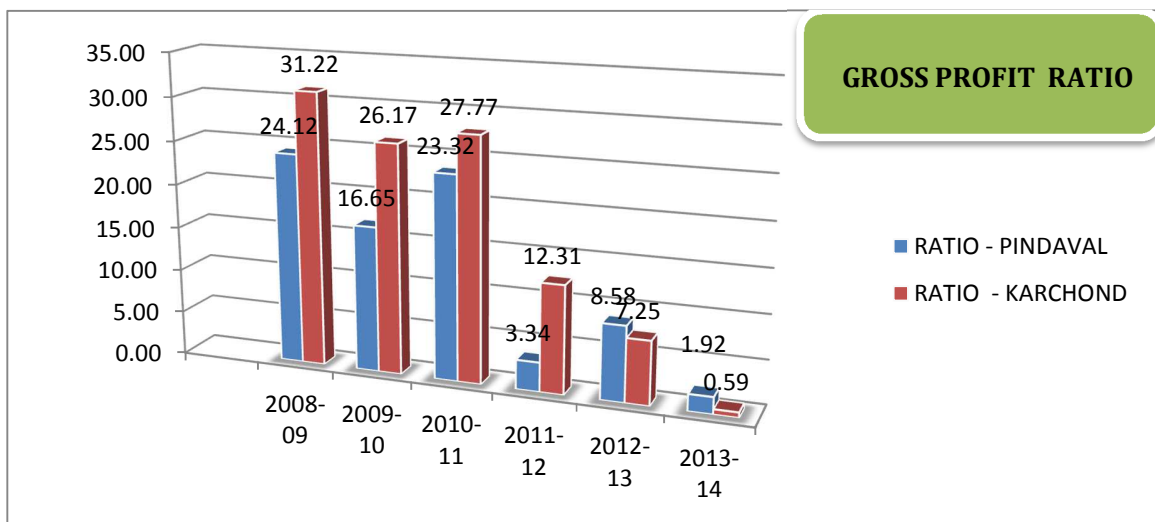
2008-09	395156	1638589	24.12	539564	1728293	31.22
2009-10	308936	1855638	16.65	1334724	5099974	26.17
2010-11	467416	2004004	23.32	1077285	3879446	27.77
2011-12	52988	1585629	3.34	606269	4924684	12.31
2012-13	104388	1216801	8.58	170356	2351336	7.25
2013-14	58466	3048279	1.92	43333	7315816	0.59

Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph no. 7 Show , Gross Profit ratio of Pindaval Cooperative society Gross Profit 24.12 in the year 2008-09 in subsequent years it is 16.65 in 2009-10, 23.32 in 2010-11, 3.34 in 2011-12, 8.58 in 2012-13, 1.92 in 2013-14. The analysis clearly shows that the ratio is 2008-09 year Highly ratio And Very low ratio in 2008-09. It is cleared that First year very good postions but every year discriasing ratio so no good maintain for management.

Gross Profit ratio of Karchond Cooperative society Gross Profit 31.22 in the year 2008-09 in subsequent years it is 26.17 in 2009-10, 27.77 in 2010-11, 12.31 in 2011-12, 7.25 in 2012-13, 0.59 in 2013-14The analysis clearly shows that the ratio is 2008-09 year Highly ratio And Very low ratio in 2013-14. It is cleared that last year show position Very low ratio show .



From the above it can be calculated that the financial position of Karchond cooperative society is better than the Pindaval cooperative society in term of gross profit because Karchond cooperative society has more variation in Gross Profit as compared to pindaval Cooperative society.

(2) NET PROFIT RATIO :

The net profit percentage is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized. As such, it is one of the best measures of the overall results of a firm, especially when combined with an evaluation of how well it is using its working capital. The measure is commonly reported on a trend line, to judge performance over time. It is also used to compare the results of a business with its competitors.

Net profit is not an indicator of cash flows, since net profit incorporates a number of non-cash expenses, such as accrued expenses, amortization, and depreciation.

The formula for the net profit ratio is to divide net profit by net sales, and then multiply by 100.

The formula is:

$$(\text{Net profit} / \text{Net sales}) \times 100$$

The measure could be modified for use by a nonprofit entity, if the change in net assets were to be used in the formula instead of net profit.

Table : 8 Following table : Net Profit Ratio of Pindaval And Karchond Cooperative Society

PINDAVAL COOPERATIVE SOCIETY	KARCHOND COOPRATVE SOCIETY
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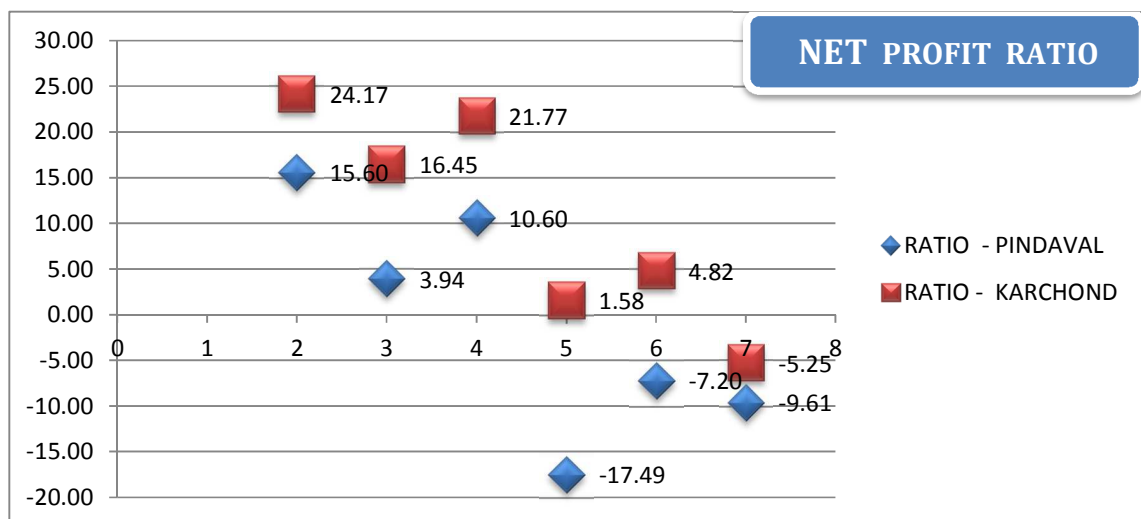
YEAR	NET	SALES	RATIO - PINDAVAL	NET	SALES	RATIO - KARCHOND
	PROFIT			PROFIT		
2008-09	255555	1638589	15.60	417739	1728293	24.17
2009-10	73074	1855638	3.94	839067	5099974	16.45
2010-11	212491	2004004	10.60	866248	3979446	21.77
2011-12	-277396	1585629	-17.49	77938	4924684	1.58
2012-13	-87563	1216801	-7.20	113224	2351336	4.82
2013-14	-292867	3048279	-9.61	-384173	7315816	-5.25

Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph no. 8 Show , Net Profit ratio of Pindaval Cooperative society 15.60 in the year 2008-09 in subsequent years it is 3.94 in 2009-10, 10.60 in 2010-11,-17.49 in 2011-12, -7.20 in 2012-13,-9.61 in 2013-14. The analysis clearly shows that the ratio is 2008-09 year Highly ratio And Very low ratio in 2011-12. It is cleared that First three year very good postions but Last three year discriasing ratio so no good maintain for management.

Net Profit ratio of Karchond Cooperative society Net Profit 24.17 in the year 2008 - 09 in subsequent years it is 16.45 in 2009-10, 21.77 in 2010-11, 1.58 in 2011-12, 4.82 in 2012-13, - 5.25 in 2013-14.The analysis clearly shows that the ratio is 2008-09 to 2012-13 good financial helth is very good and last year is no good ratio.



From the above it can be calculated that the Net profit ratio position of Karchond cooperative society is better than the Pindaval , because this cooperative society is only one year

have loss and pindaval cooperative three year net loss has study period so, we can say karchond cooperative society management working good and financial helth is very good. because Karchond cooperative society has more variation in Gross Profit as compared to Pindaval Cooperative society.

(3) OPERATING RATIO :

The operating ratio is the ratio of production and administrative expenses to net sales. The measure excludes financing costs, non-operating expenses, and taxes. Essentially, it is the cost per sales dollar of operating a business. A lower operating ratio is a good indicator of operational efficiency, especially when the ratio is low in comparison to the same ratio for competitors and benchmark firms.

The operating ratio is only useful for seeing if the core business is able to generate a profit. Since several potentially significant expenses are not included, it is not a good indicator of the overall performance of a business, and so can be misleading when used without any other performance metrics. For example, a company may be highly leveraged and must therefore make massive interest payments that are not considered part of the operating ratio.

To calculate the operating ratio, add together all production costs (i.e., the cost of goods sold) and administrative expenses (which includes general, administrative, and selling expenses) and divide by net sales (which is gross sales, less sales discounts, returns, and allowances).

Table : 9 Following table : Operating Ratio of Pindaval And Karchond Cooperative Society

YEAR	PINDAVAL COOPERATIVE SOCIETY			RATIO-PINDAVAL	KARCHOND COOPRATVE SOCIETY			RATIO - KARCHOND
	SALE GOODS OF COST	OPERATING COST	SALE		SALE GOODS OF COST	OPERATING COST	SALE	
2008-09	1243433	237826	1638589	90.4	1188729	212813	1728293	81.1

2009-10	1546702	260248	1855638	97.4	3765250	485572	5099974	83.4
2010-11	1536588	370846	2004004	95.2	2802161	437968	3879446	83.5
2011-12	1532641	475744	1585629	126.7	4318415	589511	4924684	99.7
2012-13	1112413	354015	1216801	120.5	2180980	472633	2351336	112.9
2013-14	2989813	378952	3048279	110.5	7272483	489920	7315816	106.1

Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph no. 9 Show ,Operating Ratio of Pindaval Cooperative society 90.4 in the year 2008-09 in subsequent years it is 97.4 in 2009-10, 95.2 in 2010-11,126.7 in 2011-12, 120.5 in 2012-13,110.5 in 2013-14. The analysis clearly shows that the ratio is 2011-12 year Highly ratio And Very low ratio in 2008-9.

Operating ratio of Karchond Cooperative society 81.1 in the year 2008 -09 in subsequent years it is 83.4 in 2009-10, 83.5 in 2010-11, 99.7 in 2011-12, 112.9 in 2012-13, 106.1 in 2013-14.The analysis clearly shows that the ratio is 2008-09 to 2013-14 is good and cooperative society management good working.

From the above it can be concluded that the financial position of Pindaval is first three year ratio is low that means good working.and last three years not good working.karchond cooperative society is 2008-9 to 2011-12 is good working and last year is ratio high indicate no good positons. Overall we can say Karchond Cooperative society is expence controlling policy is good better than the Pindaval Cooperative society in the terms of operating ratio .

(4) RETURN ON TOTAL ASSETS :

Return on Assets (ROA) is an indicator of how profitable company's assets are in generating profit. Return on assets formula is:

Return on Assets : $\frac{\text{after tax net profit} + \text{Interest}}{\text{Total Assets}}$

Total Assets

Return on Assets shows how many Amount of earnings result from each Amount of assets the company controls. Return on Assets ratio gives an idea of how efficient management is at using its assets to generate profit.

YEAR	PINDAVAL COOPERATIVE SOCIETY				KARCHOND COOPRATVE SOCIETY			
	AFTER TAX	BANK INTERST	TOTAL ASSETS	RATIO - PINDAVAL	AFTER TAX	BANK INTERST	TOTAL ASSETS	RATIO - KARCHOND
	NET PROFIT				NET PROFIT			
2008-09	255555	17391	1500872	18.18	417739	13490	1728293	24.95
2009-10	73074	13578	1641629	5.27	839067	8578	2987572	28.37
2010-11	212491	24735	2209273	10.73	866248	46769	4170091	21.89
2011-12	-277396	44662	156899	28.46	77938	49318	4691570	2.71
2012-13	-87563	46607	3014247	1.54	113224	73314	4911608	3.80
2013-14	-292867	41386	3390879	1.20	-384173	62414	4581095	-7.02

Table : 10 Following table : Return on total Assets of Pindaval And Karchond Cooperative

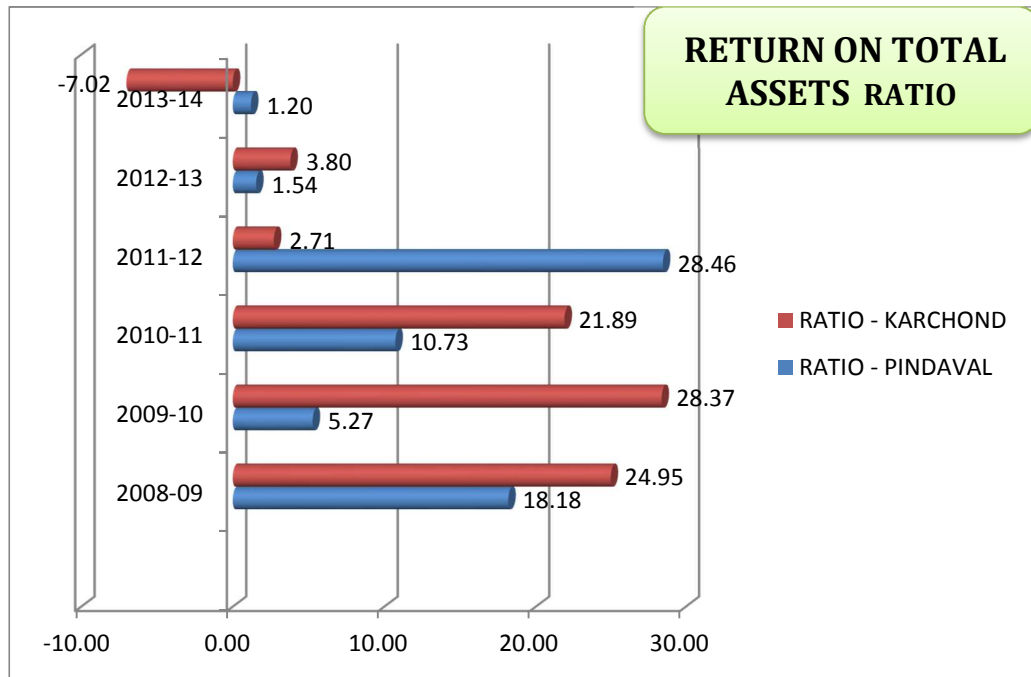
Society

Source: Compiled Calculated Dat

INTERPRETATION

Above Table and Graph no. 10 Show ,Return on total assets Ratio of Pindaval Cooperative society 18.18 in the year 2008-09 in subsequent years it is 5.27 in 2009-10, 10.73 in 2010-11,28.46 in 2011-12, 1.54 in 2012-13,1.20 in 2013-14. The analysis clearly shows that the ratio is 2011-12 year Highly ratio And Very low ratio in 2013-14.

Return on total assets of Karchond Cooperative society 24.95 in the year 2008 -09 in subsequent years it is 28.37 in 2009-10, 21.89 in 2010-11, 2.71 in 2011-12, 3.80 in 2012-13, -7.02 in 2013-14.The analysis clearly shows that the ratio is 2008-09 to 2010-11 is good and cooperative sociery management good working.



From the above it can be concluded that the financial Return on total assets ratio position of Pindaival Cooperative society because efficient management is at using its assets to generate profit. is better than the Karchond Cooperative society in the terms of return on total assets ratio.

(5) RETURN ON CAPITAL EMPLOYED :

Return on capital employed or ROCE is a profitability ratio that measures how efficiently a company can generate profits from its capital employed by comparing net operating profit to capital employed. In other words, return on capital employed shows investors how many Rupees in profits each rupees of capital employed generates.

ROCE is a long-term profitability ratio because it shows how effectively assets are performing while taking into consideration long-term financing. This is why ROCE is a more useful ratio than return on equity to evaluate the longevity of a company.

This ratio is based on two important calculations: operating profit and capital employed. Net operating profit is often called EBIT or earnings before interest and taxes. EBIT is often reported on

the income statement because it shows the company profits generated from operations. EBIT can be calculated by adding interest and taxes back into net income if need be.

Capital employed is a fairly convoluted term because it can be used to refer to many different financial ratios. Most often capital employed refers to the total assets of a company less all current liabilities. This could also be looked at as stockholders' equity less long-term liabilities. Both equal the same figure.

Return on capital employed formula is calculated by dividing net operating profit or EBIT by the employed capital.

$$\text{Return On Capital Employed} : \frac{\text{Net Operating Profit}}{\text{Employed Capital}} \times 100$$

Table : 11 Following table : Return on Capital employed of Pindaval And Karchond Cooperative Society

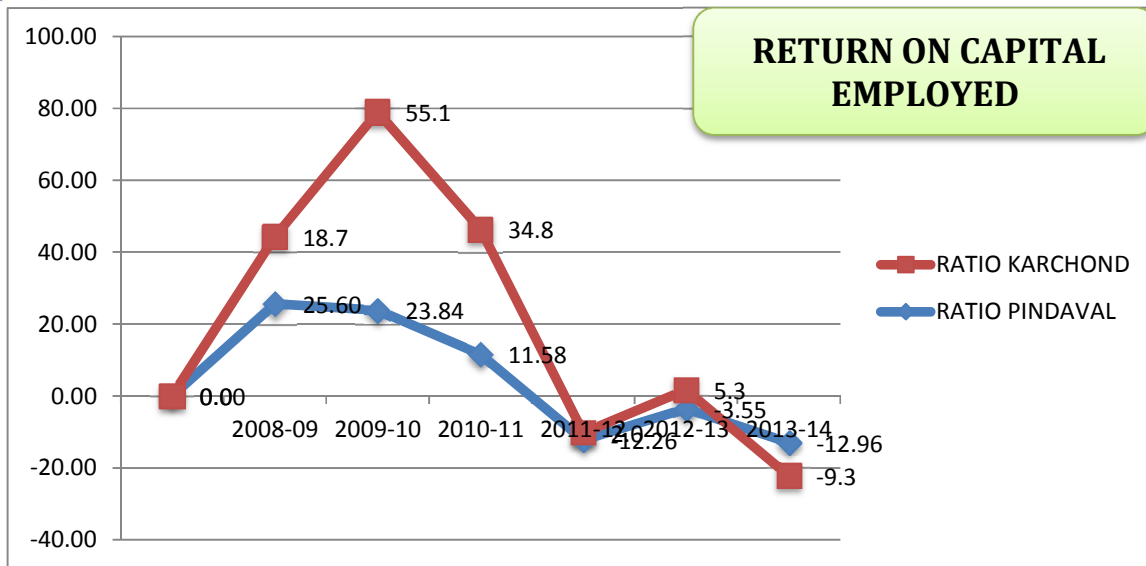
YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATVE SOCIETY		
	BEFORE TAX NET PROFIT	INVESTED CAPITAL	RATIO PINDAVAL	BEFORE TAX NET PROFIT	INVESTED CAPITAL	RATIO KARCHOND
2008-09	255975	999820	25.60	418707	2237122	18.7
2009-10	73364	307780	23.84	839067	1521929	55.1
2010-11	212656	1836816	11.58	867248	2489726	34.8
2011-12	-277396	2261811	-12.26	77938	3877053	2.0
2012-13	-87563	2465714	-3.55	215554	4092607	5.3
2013-14	-292867	2260410	-12.96	-384173	4130855	-9.3

cc

INTERPRETATION

Above Table and Graph no. 11 Show ,Return on Capital employed Ratio of Pindaval Cooperative society 25.60 in the year 2008-09 in subsequent years it is 23.84 in 2009-10, 11.58 in 2010-11,-12.26 in 2011-12, 3.55 in 2012-13,12.96 in 2013-14. The analysis clearly shows that the ratio is 2008-09 year Highly ratio And Very low ratio in 2013-14. No regular maintain ratio in study period.

Return on total assets of Karchond Cooperative society 18.7 in the year 2008 -09 in subsequent years it is 55.1 in 2009-10, 34.8 in 2010-11, 2.00 in 2011-12, 5.3 in 2012-13, -9.3 in 2013-14.The analysis clearly shows that the ratio is 2008-09 to 2010-11 is good and cooperative society management good working.



From the above it can be concluded that Return on Capital Employed ratio of It is cleared that ROCE is a long-term profitability ratio is No Regular in Every years, it shows not effectively assets are performing while taking into consideration long-term financing. the financial Return in Capital Employed position of Kaarchond Cooperative society is better than the Pindaval Cooperative society.

(D) ACTIVITY & EFFICIENCY RATIOS

Efficiency ratios show how efficiently the business is using its resources. Shareholders in particular will want to know how well the firm is using their money! It is advisable for the business to get as much turnover from its assets as possible and at the same time it is not a good idea for it to have too many assets in the form of stock or debtors.

Financial efficiency can be examined by using the following ratios:

- **Stock turnover**
- **Debtor days**
- **Fixed assets turnover ratio**

- **Total Assets turnover ratio**
- **Working Capital turnover**

What do we mean by the term financial efficiency? A business uses capital - shareholders capital or that borrowed from the banks - to run its business. These stakeholders are entitled to know how well this capital is being used. In other words, is the company financially efficient? Are they growing the firm fast enough?

The last section showed how the acid test ratio could give an indication of financial performance. It only looked at the capital structure, though, and attempted to measure risk in some way. Other ratios are perhaps better at assessing performance, or use of money.

(1) STOCK TURNOVER RATIO :

Inventory Turnover Ratio is one of the efficiency ratios and measures the number of times, on average, the inventory is sold and replaced during the fiscal year. Inventory Turnover Ratio **formula** is:

$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of Goods Sold}}{\frac{\text{Beginning Inventory balance} + \text{Ending Inventory balance}}{2}}$$

Inventory Turnover Ratio measures company's efficiency in turning its inventory into sales. Its purpose is to measure the liquidity of the inventory.

Inventory Turnover Ratio is figured as "turnover times". Average inventory should be used for inventory level to minimize the effect of seasonality.

This ratio should be compared against industry averages.

A **low inventory turnover ratio** is a signal of inefficiency, since inventory usually has a rate of return of zero. It also implies either poor sales or excess inventory. A low turnover rate can indicate poor liquidity, possible overstocking, and obsolescence, but it may also reflect a planned inventory buildup in the case of material shortages or in anticipation of rapidly rising prices.

A **high inventory turnover ratio** implies either strong sales or ineffective buying (the company buys too often in small quantities, therefore the buying price is higher). A high inventory turnover ratio can indicate better liquidity, but it can also indicate a shortage or inadequate inventory levels, which may lead to a loss in business.

Table : 12 Following table : Stock Turnover ratio of Pindaval And Karchond Cooperative Society

YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATIVE SOCIETY		
	SALE OF COST GOODS	AVERAGE STOCK	RATIO - PINDAVAL	SALE OF COST GOODS	AVERAGE STOCK	RATIO - KARCHOND
2008-09	1243433	424907	2.93	1188729	640084	1.86
2009-10	1546702	343833	4.50	3765250	799687	4.71
2010-11	1536588	101916	15.08	2802161	186598	15.02
2011-12	153264	47084	3.26	4318415	237021	18.22
2012-13	1112413	71604	15.54	2180980	595505	3.66
2013-14	2989813	226455	13.20	7272483	360182	20.19

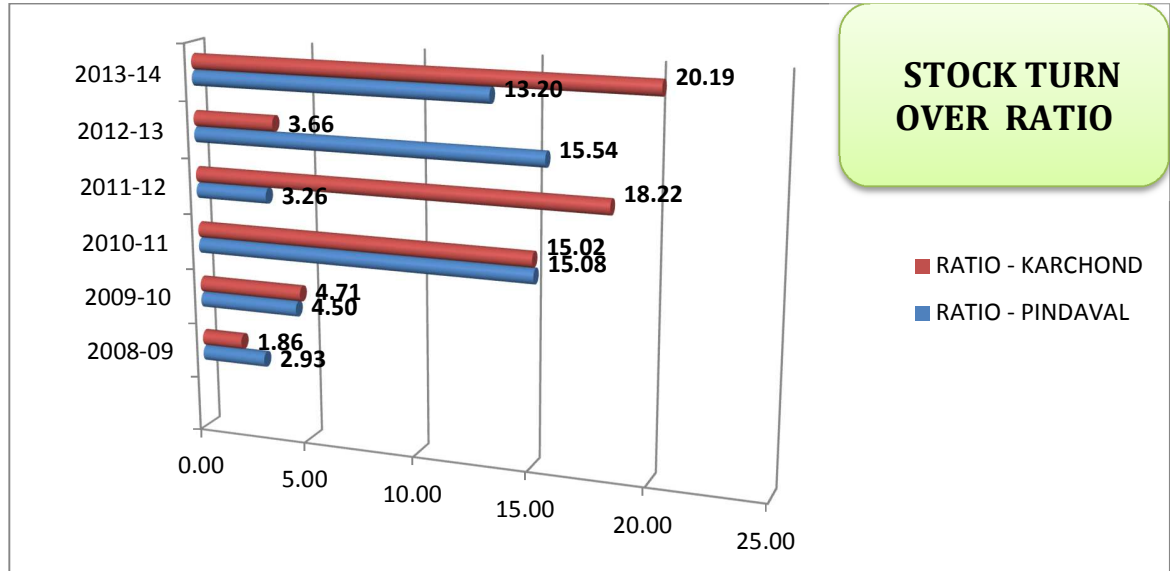
Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph no. 12 Show ,Stock Turnover Ratio of Pindaval Cooperative society 2.93 in the year 2008-09 in subsequent years it is 4.50 in 2009-10, 15.08 in 2010-11, 3.26 in 2011-12, 15.54 in 2012-13, 13.20 in 2013-14. The analysis clearly shows that the ratio is 2010-11 year Highly ratio And Very low ratio in 2008-9. No regular maintain ratio in study period. First two year stock turn over low ,after last two year high ratio show last two year management sales policy is good.

Stock turnover of Karchond Cooperative society 1.86 in the year 2008 -09 in subsequent years it is 4.71 in 2009-10, 15.02 in 2010-11, 18.22 in 2011-12, 3.66 in 2012-13, 20.19 in 2013-14. The analysis clearly shows that the ratio is 2011-12 highest and lowest ratio

is 2008-09. Year 2008-09- to 2010-11 is low ratio and increase ratio in 2010-11-12 and again 2012-13 decreasing and last year stock turn over ratio is highest.



From the above it can be concluded that the Stock turnover Ratio position of Karchond Cooperative society is better sales policy to the Pindaval Cooperative society in the terms of Stock Turnover Ratio because the Stock turnover ratio of Pindaval is low overall ratio in study period so position is not good Cooperative societies is low, as compare to Karchond Cooperative society.

(2) FIXED ASSETS TURNOVER RATIO :

The fixed asset turnover ratio is the ratio of net sales to net fixed assets (also known as property, plant, and equipment). A high ratio indicates that a business is:

- Doing an effective job of generating sales with a relatively small amount of fixed assets
- Outsourcing work to avoid investing in fixed assets
- Selling off excess fixed asset capacity

The concept of the fixed asset turnover ratio is most useful to an outside observer, who wants to know how well a business is employing its assets to generate sales.

The formula for the ratio is to subtract accumulated depreciation from gross fixed assets, and divide into net annual sales. It may be necessary to obtain an average fixed asset figure, if the amount varies

significantly over time. Do not include intangible assets in the denominator, since it can skew the results.

The formula is :

Net annual sales

Gross fixed asset

Table : 13 Following table : Fixed assets Turnover ratio of Pindaval And Karchond Cooperative Society

YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATVE SOCIETY		
	SALE	NET FIXED ASSETS	RATIO - PINDAVAL	SALE	NET FIXED ASSETS	RATIO - KARCHOND
2008-09	255555	101334	2.52	1728293	123466	14.00
2009-10	1855638	111416	16.66	5099974	310594	16.42
2010-11	2004004	145881	13.74	3879446	971081	3.99
2011-12	1585629	1463513	1.08	4924684	1531653	3.22
2012-13	1216801	1557989	0.78	2351336	1225227	1.92
2013-14	3048279	1530012	1.99	7315816	1785590	4.10

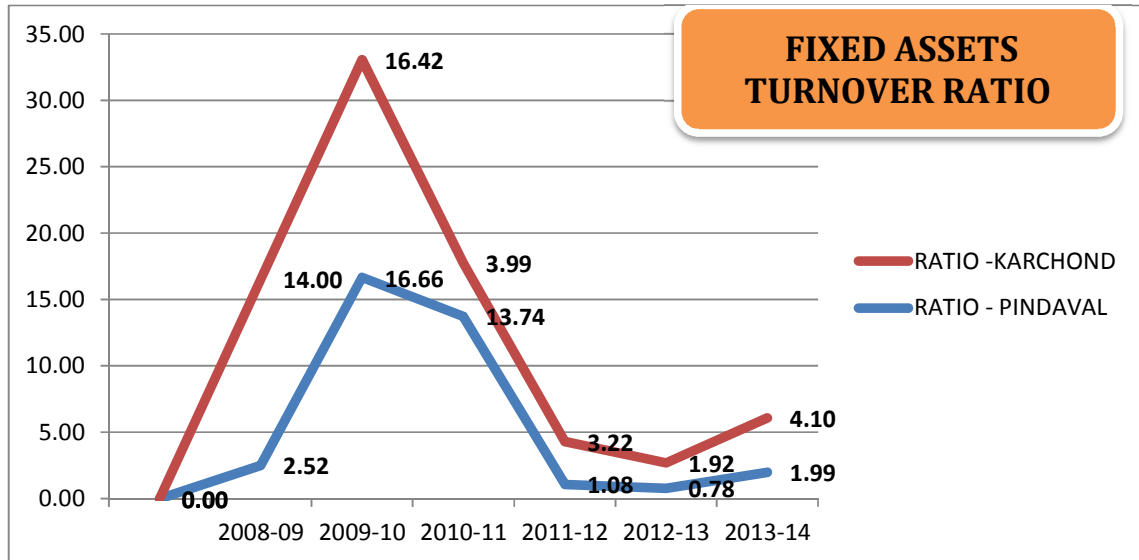
Source: Compiled Calculated Data

INTERPRETATION

Above Table and Graph no. 13 Show ,Fixed Assets Turn over Ratio of Pindaval Cooperative society 2.52 in the year 2008-09 in subsequent years it is 16.66 in 2009-10, 13.74 in 2010-11, 1.08 in 2011-12, 0.78 in 2012-13, 1.99 in 2013-14. The analysis clearly shows that the ratio is 2009-10 year Highly ratio And Very low ratio in 2012-13.

Fixed Assets Turn over ratio of Karchond Cooperative society 14.00 in the year 2008 -09 in subsequent years it is 16.42 in 2009-10, 3.99 in 2010-11, 3.22 in 2011-12, 1.92 in

2012-13, 4.10 in 2013-14. The analysis clearly shows that the ratio is 2009-10 highest and lowest ratio is 2012-13.



From the above it can be concluded that the Fixed Assets Turnover Ratio position of Karchond Cooperative society is better than the Pindaval Cooperative society in the terms of Fixed assets Turnover Ratio because the Fixed assets turnover ratio of Pindaval Cooperative societies is no good, as compare to Karchond Cooperative society.

(3) TOTAL ASSETS TURNOVER RATIO :

The amount of sales or revenues generated per dollar of assets. The Asset Turnover ratio is an indicator of the efficiency with which a company is deploying its assets.

Following Formulas ratio Calculate :

$$\text{Asset Turnover} = \frac{\text{Sales or Revenues}}{\text{Total Assets}}$$

Table : 14 Following table : Total assets Turnover ratio of Pindaval And Karchond Cooperative Society

Source: Compiled Calculated Data

YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATVE SOCIETY		
	SALE	TOTAL ASSETS	RATIO - PINDAVAL	SALE	TOTAL ASSETS	RATIO - KARCHOND
2008-09	255555	1500872	0.17	1728293	2733754	0.63
2009-10	1855638	1641629	1.13	5099974	2987572	1.71
2010-11	2004004	2209273	0.91	3879446	4170091	0.93
2011-12	1585629	2936950	0.54	4924684	4691570	1.05
2012-13	1216801	3014247	0.40	2351336	4911608	0.48
2013-14	3048279	3390879	0.90	7315816	4581095	1.60

INTERPRETATION

Above Table and Graph no. 14 Show ,Total Assets Turn over Ratio of Pindaval Cooperative society 0.17 in the year 2008-09 in subsequent years it is 1.13 in 2009-10, 0.91 in 2010-11, 0.54 in 2011-12, 0.40 in 2012-13, 0.90 in 2013-14. The analysis clearly shows that the ratio is 2009-10 year Highly ratio And Very low ratio in 2008-09.

Fixed Assets Total over ratio of Karchond Cooperative society 0.63 in the year 2008 -09 in subsequent years it is 1.71 in 2009-10, 0.93 in 2010-11, 1.05 in 2011-12, 0.48 in 2012-13, 1.60 in 2013-14.The analysis clearly shows that the ratio is 2013-14 highest and lowest ratio is 2012-13.

From the above it can be concluded that the Total Assets Turnover Ratio position of Karchond Cooperative society is better than the Pindaval Cooperative society in the terms of

Total Assets Turnover Ratio because the Total Assets turnover ratio of Pindaval Cooperative societies is overall position is low, as compare to Karchond Cooperative society.

(4) Debtors turnover ratio

The receivable turnover ratio (debtors turnover ratio, accounts receivable turnover ratio) indicates the velocity of a company's debt collection, the number of times average receivables are turned over during a year. This ratio determines how quickly a company collects outstanding cash balances from its customers during an accounting period. It is an important indicator of a company's financial and operational performance and can be used to determine if a company is having difficulties collecting sales made on credit.

Receivable turnover ratio indicates how many times, on average, account receivables are collected during a year (sales divided by the average of accounts receivables). A popular variant of the receivables turnover ratio is to convert it into an **Average collection period** in terms of days. The average collection period (also called Days Sales Outstanding (DSO)) is the number of days, on average, that it takes a company to collect its accounts receivables, i.e. the average number of days required to convert receivables into cash.

An accounting measure used to quantify a firm's effectiveness in extending credit as well as collecting debts.

$$\text{Average collection period (Days sales outstanding)} = 365 / \text{Receivables Turnover Ratio}$$

There is no general norm for the receivables turnover ratio, it strongly depends on the industry and other factors. The higher the value of receivable turnover the more efficient is the

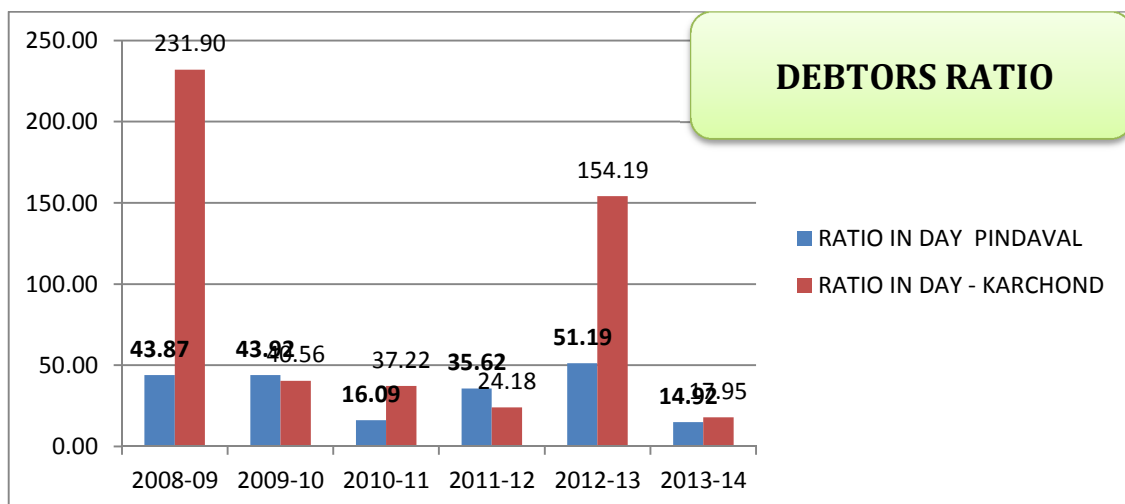
management of debtors or more liquid the debtors are, the better the company is in terms of collecting their accounts receivables. Similarly, low debtors turnover ratio implies inefficient management of debtors or less liquid debtors. But in some cases too high ratio can indicate that the company's credit lending policies are too stringent, preventing prime borrowing candidates from becoming customers.

Table : 15 Following table : Debtors Turnover ratio of Pindaval And Karchond Cooperative Society

Source: Compiled Calculated Data

Above Table and Graph no. 15 Show ,Debtors Turnover Ratio of Pindaval Cooperative society 44 in the year 2008-09 in subsequent years it is 44 in 2009-10, 16 in 2010-11, 35.62 in 2011-12, 51 in 2012-13, 15 in 2013-14. The analysis clearly shows that the ratio is 2012-13 year Highly ratio And Very low ratio in 2010-11.

Debtors Turnover ratio of Karchond Cooperative society 232 in the year 2008-09 in subsequent years it is 41 in 2009-10, 37 in 2010-11, 24 in 2011-12, 154 in 2012-13, 18 in 2013-14. The analysis clearly shows that the ratio is 2008-09 highest and lowest ratio is 2013-14.



From the above it can be concluded that the Debtors Ratio position of Pindaval Cooperative society is better than the Karchond Cooperative society in the terms of Debtors Ratio because the Debtors ratio of Karchond Cooperative societies is No good, as compare to Pindaval Cooperative society.

(5) CURRENT ASSETS TURNOVER

Current assets turnover is an efficiency measurement accountants apply to a company’s financial statements. Both the income statements and balance sheets have the requisite information for computing this ratio. The result from this formula is a metric that indicates how well a company generates sales revenue from the current assets it owns. A higher number is generally preferable as the company uses its assets in the most efficient manner possible. Accountants can compute the current assets turnover ratio on a monthly basis.

A company’s current assets are those items that last less than 12 months in the business. The most common current assets include cash, cash equivalents, inventory, and other general current assets listed on a balance sheet. In most cases, the company reports these items at the very top of the balance sheet’s asset section. Accountants report these figures at their historical cost, which is the amount the company paid at the time of purchase. In some cases, a company may choose to leave out inventory if these items do not sell frequently.

The current assets turnover ratio is fairly basic; the most common formula divides sales by average current assets. Sales are the top figure reported on a company’s income statement. Average current assets take an extra step to compute. Accountants add together the beginning monthly balance for current assets and the ending monthly balance for current assets and then divide this figure by two. The result is the denominator for the current assets turnover ratio.

Formula :
$$\frac{\text{Total Sale}}{\text{Current Assets}}$$

Table : 16 Following Table : Current assets turnover ratio of Pindaival And Karchond Cooperative Society

YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATVE SOCIETY		
	TOTAL SALE	CURRENT ASSETS	RATIO - PINDAVAL	TOTAL SALE	CURRENT ASSETS	RATIO - KARCHOND
2008-09	1638589	1349642	1.21	1728293	2610286	0.66
2009-10	1855638	1529215	1.21	5099974	2437459	2.09

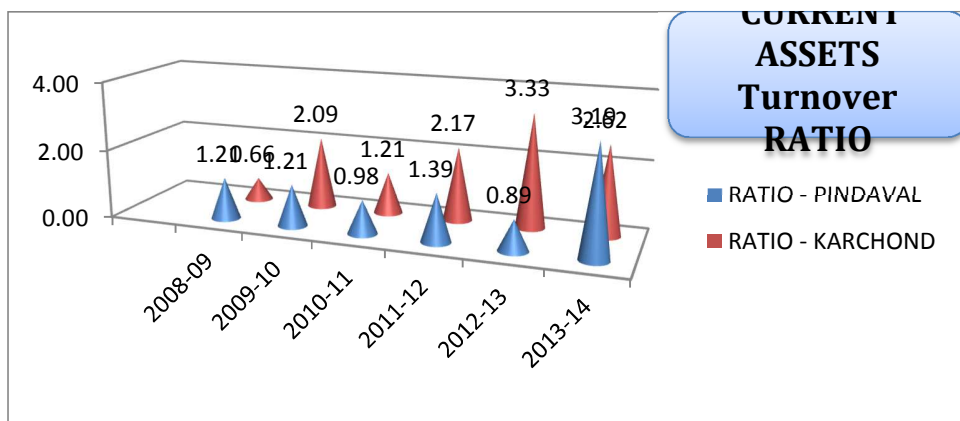
2010-11	2004004	2052393	0.98	3879446	3199009	1.21
2011-12	1585629	1137041	1.39	4924684	2264389	2.17
2012-13	1216801	1373426	0.89	1225227	367817	3.33
2013-14	3048279	954841	3.19	7315816	2795506	2.62

Source: Compiled Calculated Data : Annual Reports

INTERPRETATION

Above Table and Graph no. 16 Show ,Current Assets Turnover Ratio of Pindaval Cooperative society 1.21 in the year 2008-09 in subsequent years it is 1.21 in 2009-10, 0.98 in 2010-11, 1.39 in 2011-12, 0.89 in 2012-13, 3.19 in 2013-14. The analysis clearly shows that the ratio is 2013-14 year Highly ratio And Very low ratio in 2010-11.no good position in 2010-11 and 2012-13.

Current Assets Turnover ratio of Karchond Cooperative society 0.66 in the year 2008 -09 in subsequent years it is 2.09 in 2009-10, 1.21 in 2010-11, 2.17 in 2011-12, 3.33 in 2012-13, 2.62 in 2013-14.The analysis clearly shows that the ratio is 2012-13 highest and lowest ratio is 2008-09. Only 2008-09 is very low and all year current assets turnover ratio is good.



From the above it can be concluded that the Current assets Turnover Ratio position of Karchond Cooperative society is good show cooperative society’s Sales against in Current assets is satisfied But, year 2008-9 year ratio is not Good. Karchond co op.is better than the Pindaval Cooperative society.

(6) WORKING CAPITAL TURNOVER RATIO

The working capital turnover ratio measures how well a company is utilizing its working capital to support a given level of sales. Working capital is current assets minus current liabilities. A high turnover ratio indicates that management is being extremely efficient in using a firm's short-term assets and liabilities to support sales. Conversely, a low ratio indicates that a business is investing in too many accounts receivable and inventory assets to support its sales, which could eventually lead to an excessive amount of bad debts and obsolete inventory.

To calculate the ratio, divide net sales by working capital (which is current assets minus current liabilities). The calculation is usually made on an annual or trailing 12-month basis, and uses the average working capital during that period. The calculation is:

$$\text{Formula} \quad : \quad \frac{\text{Net Sale}}{\text{Net Working Capital}}$$

Table : 17 Following Table : Working Ccapital Turnoveer ratio of Pindaival And Karchond Cooperative Society

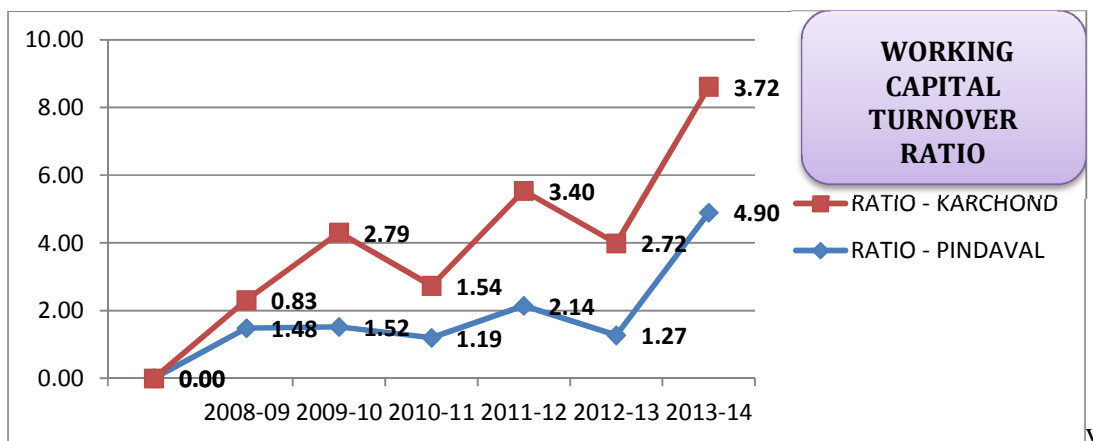
YEAR	PINDAVAL COOPERATIVE SOCIETY			KARCHOND COOPRATIVE SOCIETY		
	TOTAL SALE	WORKING CAPITAL	RATIO - PINDAVAL	TOTAL SALE	WORKING CAPITAL	RATIO - KARCHOND
2008-09	1638589	1104565	1.48	1728293	2094740	0.83
2009-10	1855638	1221435	1.52	5099974	1829487	2.79
2010-11	2004004	1679936	1.19	3879446	2518044	1.54
2011-12	1585629	739298	2.14	4924684	1449872	3.40
2012-13	1216801	956262	1.27	1225227	451183	2.72
2013-14	3048279	622066	4.90	7315816	1967836	3.72

Source: Compiled Calculated Data : Annual Reports

INTERPRETATION

Above Table and Graph no. 17 Show ,Working Capital Turnover Ratio of Pindaval Cooperative society 1.48 in the year 2008-09 in subsequent years it is 1.52 in 2009-10, 1.19 in 2010-11, 2.14 in 2011-12, 1.27 in 2012-13, 4.90 in 2013-14. The analysis clearly shows that the ratio is 2013-14 year Highly ratio And Very low ratio in 2010-11.no good position in 2010-11 and 2012-13.

Working Ccapital Turnover ratio of Karchond Cooperative society 0.83 in the year 2008 -09 in subsequent years it is 2.79 in 2009-10, 1.54 in 2010-11, 3.40 in 2011-12, 2.72 in 2012-13, 3.72 in 2013-14.The analysis clearly shows that the ratio is 2013-14 highest and lowest ratio is 2008-09. Only 2008-09 is very low and all year current assets turnover ratio is good.



From the above it can be concluded that the Working Capital Turnover Ratio position of Pindaval Cooperative society is better than the Karchond Cooperative society in the terms of Working Capital Turnover Ratio because the Working Capital Turnover ratio of Karchond Cooperative societies is no good maintain every year, as compare to Pindavals Cooperative society.

CHAPTER - 5

FINDINGS

AND

SUGGESTIONS



FINDINGS :

- ✓ Pindaval Cooperative Society Debt Equity ratio is show that the ratio is Well in 2008-09 but it decreases in 2009 To 2012-1 and very bad position is 2012-13 again increases in 2013-14. it reflects that Pindaval Cooperative society does not have the stability in their Debt and have the positive relationship between Equity and debt as low. If we look at overall equity and debt ratio initially it increases in 2008-09 but decreases in All years Karchond Cooperative society is shows that the ratio is Very High in 2008-9 And Very low ratio in 2012-13. And 2013-14 , it can be concluded that Cooperative Society does not have the stability in their Debt and have the positive relationship between Equity and debt as low in Pindaval Cooperative Society. The Financial position of Debt positions against to net worth better situation in Karchond Cooperative society. So, we can say that the Debt Equity ratio of and long term solvency is well On Karchond Cooperative society better to Pindaval co.op society cooperative society.
- ✓ Capital Gearing ratio of Pindaval Cooperative society is 0.57 in the year 2008-09 in subsequent years it is 0.72 in 2009-10, 0.86 in 2010-11, 0.92 in 2011-12, 1.06 in 2012-13 And 1.93 in 2013-14. The analysis clearly shows that the ratio is High in 2013-14 And after low ratio in 2008-09 in other study years.. that Capital Gearing ratio of Karchond Cooperative society is 5.98 in the year 2008-09 in subsequent years it is 2.66 in 2009-10, 2.98 in 2010-11, 3.57 in 2011-12, 3.59 in 2012-13 And 3.63 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2009-10 in other study years.. it can be concluded that Pindaval Cooperative Society is Good working in study period Because pindaval cooperative society' ratio first year is low but every year is increasing . the ratio

maintain on ratio in management on Pindaval Cooperative society , and other society is Kaprchond cooperative society no maintain ratio so,we can say, Pindaval cooperative society Good and Well position better in other Cooperative society in valsad district.

- ✓ Propertory ratio of Pindaval Cooperative society is 408 in the year 2008-09 in subsequent years it is 98.5 in 2009-10, 493.2 in 2010-11, 568.7 in 2011-12, 534.9 in 2012-13 And 269.9 in 2013-14. The analysis clearly shows that the ratio is High in 2011-12 And after low est ratio in 2009-10 in other study years.. Propertory ratio of Karchond Cooperative society is 101.6 in the year 2008-09 in subsequent years it is 250.3 in 2009-10, 365.6 in 2010-11, 476 in 2011-12, 499.7 in 2012-13 And 4.99 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2009-10 in other study years.. it can be concluded that Pindaval Operative Society is Good Positin But in study period, ratio is every year change and last year is very low for above three years so, pindaval propertory ratio is no stability position. so ,No need take loan and do not need use of trade on equity., Karchond Co.operrative society propertory ratio is good because every year maintain ratio incrasing Co.Op. have more Capital Its maintain on ratio every year management. . so,we can say, Karchond cooperative society better working To other Cooperative society.
- ✓ Fixed capital-Assets ratio of Pindaval Cooperative society is 9.87 in the year 2008-09 in subsequent years it is 2.76 in 2009-10, 12.59 in 2010-11, 1.55 in 2011-12,1.58 in 2012-13 And 1.48 in 2013-14. The analysis clearly shows that the ratio is High in 2010-11 And after low est ratio in 2011-12 in other study years.Karchond Cooperative society is 18.12 in the year 2008-09 in subsequent years it is 4.90 in 2009-10, 2.56 in 2010-11, 2.53 in 2011-12, 3.34 in 2012-13 And 2.31 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2013-14 in other study years.. it can be concluded that Karchond good working Cooperative Society ,because.First year ratio is very high and other year discreasing but avearege ratio that means Fixed Assets against More than Fixed Capital. And Pindaval cooperative society total capital;s against assets ratio change and no maintain ratio. so, We can say that Karchond Cooperative Society Purchase Fixed Asset's in Fixed Capital. Better cooperative society Karchond. So management is Good operating systems. to other cooperative society.

- ✓ Current Ratio of Pindaval Cooperative society is 5.51 in the year 2008-09 in subsequent years it is 4.97 in 2009-10, 5.51 in 2010-11, 2.86 in 2011-12, 3.29 in 2012-13 And 2.87 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low est ratio in 2011-12 in other study years. Karchond Cooperative society is 5.06 in the year 2008-09 in subsequent years it is 4.01 in 2009-10, 4.70 in 2010-11, 2.78 in 2011-12, 3.72 in 2012-13 And 3.38 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2013-14 in other study years.. it can be concluded that Financial Liquidity position of Karchond and Pindaval cooperative society Comfortable financial position. But Every year maintain ratio is Pindaval cooperative society is better than Karchond Cooperative society in term of Current ratio. Pindaval society has more variations in Current ratio as compare to Karchond Cooperative society.
- ✓ Quick Ratio of Pindaval Cooperative society is 2.70 in the year 2008-09 in subsequent years it is 4.40 in 2009-10, 5.51 in 2010-11, 2.85 in 2011-12, 2.96 in 2012-13 And 1.93 in 2013-14. The analysis clearly shows that the ratio is High in 2010-11 And after low est ratio in 2008-09 in other study years. Karchond Cooperative society is 2.66 in the year 2008-09 in subsequent years it is 3.42 in 2009-10, 6.60 in 2010-11, 2.23 in 2011-12, 3.07 in 2012-13 And 3.15 in 2013-14. The analysis clearly shows that the ratio is High in 2008-09 And after low ratio in 2013-14 in other study years.. it can be concluded that Financial position of Pindaval and Karchond Cooperative society good position but, Karchond co.society maintain good ratio compare to Pindaval co op society. so we can say Karchond cooperative society inventories are often difficult to convert to cash fast and good position .
- ✓ Gross Profit ratio of Pindaval Cooperative society Gross Profit 24.12 in the year 2008-09 in subsequent years it is 16.65 in 2009-10, 23.32 in 2010-11, 3.34 in 2011-12, 8.58 in 2012-13, 1.92 in 2013-14. The analysis clearly shows that the ratio is 2008-09 year Highly ratio And Very low ratio in 2008-09. It is cleared that First year very good postions but every year discriasing ratio so no good maintain for management .Gross Profit ratio of Karchond Cooperative society Gross Profit 31.22 in the year 2008 -09 in subsequent years it is 26.17 in 2009-10, 27.77 in 2010-11, 12.31 in 2011-12, 7.25 in 2012-13, 0.59 in 2013-14 The analysis

clearly shows that the ratio is 2008-09 year Highly ratio And Very low ratio in 2013-14. It is cleared that last year show position Very low ratio show . it can be calculated that the financial position of Karchond cooperative society is better than the Pindaval cooperative society in term of gross profit because Karchond cooperative society has more variation in Gross Profit as compared to pindaval Cooperative society.

- ✓ Net Profit ratio of Pindaval Cooperative society 15.60 in the year 2008-09 in subsequent years it is 3.94 in 2009-10, 10.60 in 2010-11,-17.49 in 2011-12, -7.20 in 2012-13,-9.61 in 2013-14. The analysis clearly shows that the ratio is 2008-09 year Highly ratio And Very low ratio in 2011-12. It is cleared that First three year very good postions but Last three year discriasing ratio so no good maintain for management. Karchond Cooperative society Net Profit 24.17 in the year 2008 -09 in subsequent years it is 16.45 in 2009-10, 21.77 in 2010-11, 1.58 in 2011-12, 4.82 in 2012-13, -5.25 in 2013-14.The analysis clearly shows that the ratio is 2008-09 to 2012-13 good financial helth is very good and last year is no good ratio. it can be calculated that the Net profit ratio position of Karchond cooperative society is better than the Pindaval , because this cooperative society is only one year have loss and pindaval cooperative three year net loss has study period so, we can say karchond cooperative society management working good and financial helth is very good. because Karchond cooperative society has more variation in Gross Profit as compared to Pindaval Cooperative society.
- ✓ Operating Ratio of Pindaval Cooperative society 90.4 in the year 2008-09 in subsequent years it is 97.4 in 2009-10, 95.2 in 2010-11,126.7 in 2011-12, 120.5 in 2012-13,110.5 in 2013-14. The analysis clearly shows that the ratio is 2011-12 year Highly ratio And Very low ratio in 2008-9. it can be concluded that the financial position of Pindaval is first three year ratio is low that means good working.and last three years not good working.karchond cooperative society is 2008-9 to 2011-12 is good working and last year is ratio high indicate no good positons. Overall we can say Karchond Cooperative society is expence controlling policy is good better than the Pindaval Cooperative society in the terms of operating ratio .
- ✓ Return on total assets Ratio of Pindaval Cooperative society 18.18 in the year 2008-09 in subsequent years it is 5.27 in 2009-10, 10.73 in 2010-11,28.46 in 2011-12, 1.54 in 2012-

13,1.20 in 2013-14. The analysis clearly shows that the ratio is 2011-12 year Highly ratio And Very low ratio in 2013-14. Karchond Cooperative society 24.95 in the year 2008 -09 in subsequent years it is 28.37 in 2009-10, 21.89 in 2010-11, 2.71 in 2011-12, 3.80 in 2012-13, -7.02 in 2013-14. The analysis clearly shows that the ratio is 2008-09 to 2010-11 is good and cooperative society management good working. it can be concluded that the financial Return on total assets ratio position of Pindaval Cooperative society because efficient management is at using its assets to generate profit. is better than the Karchond Cooperative society in the terms of return on total assets ratio.

- ✓ Return on Capital employed Ratio of Pindaval Cooperative society 25.60 in the year 2008-09 in subsequent years it is 23.84 in 2009-10, 11.58 in 2010-11, -12.26 in 2011-12, 3.55 in 2012-13, 12.96 in 2013-14. The analysis clearly shows that the ratio is 2008-09 year Highly ratio And Very low ratio in 2013-14. No regular maintain ratio in study period. Return on total assets of Karchond Cooperative society 18.7 in the year 2008 -09 in subsequent years it is 55.1 in 2009-10, 34.8 in 2010-11, 2.00 in 2011-12, 5.3 in 2012-13, -9.3 in 2013-14. The analysis clearly shows that the ratio is 2008-09 to 2010-11 is good and cooperative society management good working. it can be concluded that Return on Capital Employed ratio of It is cleared that ROCE is a long-term profitability ratio is No Regular in Every years, it shows not effectively assets are performing while taking into consideration long-term financing. the financial Return in Capital Employed position of Kaarchond Cooperative society is better than the Pindaval Cooperative society.

- ✓ Stock Turn over Ratio of Pindaval Cooperative society 2.93 in the year 2008-09 in subsequent years it is 4.50 in 2009-10, 15.08 in 2010-11, 3.26 in 2011-12, 15.54 in 2012-13, 13.20 in 2013-14. The analysis clearly shows that the ratio is 2010-11 year Highly ratio And Very low ratio in 2008-9. No regular maintain ratio in study period. First two year stock turn over low ,after last two year high ratio show last two year management sales policy is good. Return on total assets of Karchond Cooperative society 1.86 in the year 2008 -09 in subsequent years it is 4.71 in 2009-10, 15.02 in 2010-11, 18.22 in 2011-12, 3.66 in 2012-

13, 20.19 in 2013-14. The analysis clearly shows that the ratio is 2011-12 highest and lowest ratio is 2008-09. Year 2008-09- to 2010-11 is low ratio and increase ratio in 2010-11-12 and again 2012-13 decreasing and last year stock turn over ratio is highest. The above it can be concluded that the Stock turnover Ratio position of Karchond Cooperative society is better sales policy to the Pindaval Cooperative society in the terms of Stock Turnover Ratio because the Stock turnover ratio of Pindaval is low overall ratio in study period so position is not good Cooperative societies is low, as compare to Karchond Cooperative society.

- ✓ Fixed Assets Turn over Ratio of Pindaval Cooperative society 2.52 in the year 2008-09 in subsequent years it is 16.66 in 2009-10, 13.74 in 2010-11, 1.08 in 2011-12, 0.78 in 2012-13, 1.99 in 2013-14. The analysis clearly shows that the ratio is 2009-10 year Highly ratio And Very low ratio in 2012-13. Fixed Assets Turn over ratio of Karchond Cooperative society 14.00 in the year 2008 -09 in subsequent years it is 16.42 in 2009-10, 3.99 in 2010-11, 3.22 in 2011-12, 1.92 in 2012-13, 4.10 in 2013-14. The analysis clearly shows that the ratio is 2009-10 highest and lowest ratio is 2012-13. It can be concluded that the Fixed Assets Turnover Ratio position of Karchond Cooperative society is better than the Pindaval Cooperative society in the terms of Fixed assets Turnover Ratio because the Fixed assets turnover ratio of Pindaval Cooperative societies is no good, as compare to Karchond Cooperative society.
- ✓ Total Assets Turn over Ratio of Pindaval Cooperative society 0.17 in the year 2008-09 in subsequent years it is 1.13 in 2009-10, 0.91 in 2010-11, 0.54 in 2011-12, 0.40 in 2012-13, 0.90 in 2013-14. The analysis clearly shows that the ratio is 2009-10 year Highly ratio And Very low ratio in 2008-09. Fixed Assets Total over ratio of Karchond Cooperative society 0.63 in the year 2008 -09 in subsequent years it is 1.71 in 2009-10, 0.93 in 2010-11, 1.05 in 2011-12, 0.48 in 2012-13, 1.60 in 2013-14. The analysis clearly shows that the ratio is 2013-14 highest and lowest ratio is 2012-13. It can be concluded that the Total Assets Turnover Ratio position of Karchond Cooperative society is better than the Pindaval Cooperative society in the terms of Total Assets Turnover Ratio because the Total Assets turnover ratio of Pindaval Cooperative societies is overall position is low, as compare to Karchond Cooperative society

- ✓ Debtors Turn over Ratio of Pindaval Cooperative society 44 in the year 2008-09 in subsequent years it is 44 in 2009-10, 16 in 2010-11, 35.62 in 2011-12, 51 in 2012-13, 15 in 2013-14. The analysis clearly shows that the ratio is 2012-13 year Highly ratio And Very low ratio in 2010-11. Debtors turnover ratio of Karchond Cooperative society 232 in the year 2008 -09 in subsequent years it is 41 in 2009-10, 37 in 2010-11, 24 in 2011-12, 154 in 2012-13, 18 in 2013-14. The analysis clearly shows that the ratio is 2008-09 highest and lowest ratio is 2013-14. it can be concluded that the Debtors Ratio position of Pindaval Cooperative society is better than the Karchond Cooperative society in the terms of Debtors Ratio because the Debtors ratio of Karchond Cooperative societies is No good, as compare to Pindaval Cooperative society.






- ✓ Current Assets Turnover Ratio of Pindaval Cooperative society 1.21 in the year 2008-09 in subsequent years it is 1.21 in 2009-10, 0.98 in 2010-11, 1.39 in 2011-12, 0.89 in 2012-13, 3.19 in 2013-14. The analysis clearly shows that the ratio is 2013-14 year Highly ratio And Very low ratio in 2010-11. no good position in 2010-11 and 2012-13. Current Assets Turnover ratio of Karchond Cooperative society 0.66 in the year 2008 -09 in subsequent years it is 2.09 in 2009-10, 1.21 in 2010-11, 2.17 in 2011-12, 3.33 in 2012-13, 2.62 in 2013-14. The analysis clearly shows that the ratio is 2012-13 highest and lowest ratio is 2008-09. Only 2008-09 is very low and all year current assets turnover ratio is good. it can be concluded that the Current assets Turnover Ratio position of Karchond Cooperative society is good show cooperative society's Sales against in Current assets is satisfied But, year 2008-9 year ratio is not Good. Karchond co op. is better than the Pindaval Cooperative society.






- ✓ Working Capital Turnover Ratio of Pindaval Cooperative society 1.48 in the year 2008-09 in subsequent years it is 1.52 in 2009-10, 1.19 in 2010-11, 2.14 in 2011-12, 1.27 in 2012-13, 4.90 in 2013-14. The analysis clearly shows that the ratio is 2013-14 year Highly ratio And Very low ratio in 2010-11. no good position in 2010-11 and 2012-13. Working Capital Turnover ratio of Karchond Cooperative society 0.83 in the year 2008 -09 in subsequent years it is 2.79 in 2009-10, 1.54 in 2010-11, 3.40 in 2011-12, 2.72 in 2012-13, 3.72 in 2013-14. The analysis clearly shows that the ratio is 2013-14 highest and lowest ratio is 2008-09. Only 2008-09 is very low and all year current assets turnover ratio is good. it can be

concluded that the Working Capital Turnover Ratio position of Pindaval Cooperative society is better than the Karchond Cooperative society in the terms of Working Capital Turnover Ratio because the Working Capital Turnover ratio of Karchond Cooperative societies is no good maintain every year, as compare to Pindavals Cooperative society.

SUGGESTIONS :

In view of the findings and the conclusions of the study, the following recommendations are suggested to analysis the financial performance of Selected Pindaval Cooperative society and Karchond Cooperative society Valssad district in Gujarat state of india.

-  In order to improve the financial leverage the management shall build equity capital by collecting shares from existing and new membership increase ; retain profits or converting cash . Members of the cooperative should increase their own capital to finance fixed assets in order to reduce leverage ratio, this can be enhanced by selling additional share capital and unproductive fixed assets.
-  To improve the liquidity position of the cooperative societies , the all cooperative societies shall maintain adequate cash reserves from operating activities.
-  Gross profit margin ratio is low in all cooperative societies, this shows it could not cover its fixed charges, and then the Societies management must follow pricing policy which says higher price for produce and lower price for inputs and commodities.
-  The Cooperative Societies management of the cooperative societies must pay its liabilities on time to minimize the financial charge paid to creditors as interest for the amount borrowed.
-  The cooperative Societies shall allocate part of its equity capital for current assets and working capital in order to run the business operations Slowly, attract short term creditors and minimize risks of long term investment for management.

-  The Management of cooperative Societies should revise its credit policy to speed up collection of receivables and minimize associated costs.
-  The management bodies of the cooperative societies should design and plan in paying dividend and raw material Price Different to its members and farmer's in every year or selected time to time.
-  The management of cooperative Societies should give attention to decreasing administrative expenses and improve their working efficiency to gain enough profit and save accumulated profit for capital growth.
-  Cooperative Societies Management Continuous and sustainable support and supervision by cooperative Societies promotion office should be given to strengthen service offered by the cooperative societies.
-  To progress the productivity of the cooperative Societies, the cooperative has to improvement qualified professional employees in addition to existing personnel.



CONCLUSION :-

From the above study, it is concluded that the values of liquidity ratios such as quick ratio and net working capital ratio and financial activity ratios are above the standard. This indicates the cooperative financial position was good (or sound enough) to meet its current obligations, But current ratio, absolute liquid ratio and cash ratio of the cooperative are below the Cooperative Societies average, standard, that shows the financial position of the cooperative is not satisfactory to meet its short-term obligations.

Finally, still there is a scope and hope for the betterment to maintain the optimum level financial stability in future, if the cooperative societies operate the activity in efficient manner, try to maintain the optimum level of financial stability in future, there is no doubt, it is clear Cristal that it will get the great success among the public, Rural and other cooperatives also, the day is not for off.

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