



An Analytical Financial Study of Selected Milk Producer Co-operative Society in Anand District

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I. OBJECTIVES OF THE STUDY

Followings are the objectives of the research study.

1. To study the workings of selected milk co-operative societies in Anand Dist.
2. To study the significance of contribution of selected milk co-operative societies in Anand Dist.
3. To study Profitability, Productivities and Workability of selected milk co-operative societies in Anand Dist.
4. To study incomes, expenditures, assets, debts of selected milk co-operative societies in Anand Dist.
5. To study financial performance of selected milk co-operative societies in Anand Dist.

II. MILK PRODUCER CO-OP. SOCIETY WISE RATIO ANALYSIS

Ratio Analysis of Borsad Milk Producer Co-Op. Society

Year	G.P RATIO	N.P RATIO	R.O.I RATIO	EXPENSE RATIO	PROP. RATIO
2008-09	5.08%	0.31%	38.76%	5.55%	2.36%
2009-10	5.012%	0.26%	37.55%	5.47%	1.83%
2010-11	4.31%	0.23%	34.39%	4.89%	22.71%

Interpretation:

1. Looking at the return on investment, we can say that this co-op. society is suffering a constant decrease in profits as well as net return on total investments.
2. Besides, expense ratio is showing decrease trend that is favourable but net profit figures are also going down as it decreased 0.06% within the last three years.
3. In the last year, proprietary ratio performed good as it lifts up to 20% increase approx.

Ratio Analysis of Rangpur Milk Producer Co-Op. Society

Year	G.P RATIO	N.P RATIO	R.O.I RATIO	EXPENSE RATIO	PROP. RATIO
2008-09	5.84%	2.21%	32.36%	6.02%	15.24%
2009-10	5.75%	2.44%	41.88%	4.22%	16.23%
2010-11	4.64%	1.06%	22.44%	4.55%	10.23%

Interpretation:

1. Looking at the first two years profit figures. It seems that Rangpur milk co-op. Ltd. Is doing good business and earn a good figure of profits.
2. But, net result after 2nd financial year results in a bigger loss of profit.
3. Besides, expense of the union has decrease in 2009-10 but it raised back by 0.33% in 2010-11.

Ratio Analysis of Mahelav Milk Producer Co-Op. Society

Year	G.P RATIO	N.P RATIO	R.O.I RATIO	EXPENSE RATIO	PROP. RATIO
2008-09	4.53%	1.79%	67.30%	4.41%	8.42%
2009-10	4.99%	3.22%	125.63%	3.82%	9.04%
2010-11	1.88%	0.44%	16.66%	3.10%	9.97%

Interpretation:

1. Profit figures of Mahelav milk prod. Co-op. society play a mixed trend as looking at net profit figures, we can see that it was 1.79% in 2008-09 and was 3.22% in 2009-10 reveals a leap of 1.43% but in just next year to 2009-10 it went 0.44% with decrease of 2.78% in net business.
2. R.O.I. plays a distinctive role in overall profitability scenario of the society as in 2009-10 it was 125.63% of the total investment but it decreased by 108.97% in 2010.11.
3. Looking at expense ratio, we can say that total exp. Of the society is gradually decreasing year-by-year.

Ratio Analysis of Roonaj Milk Producer Co-Op. Society

Year	G.P RATIO	N.P RATIO	R.O.I RATIO	EXPENSE RATIO	PROP. RATIO
2008-09	9.40%	5.90%	52.60%	5.94%	23.78%
2009-10	7.92%	5.40%	51.48%	4.61%	23.10%
2010-11	7.059%	5.43%	59.23%	4.66%	22.13%

Interpretation:

1. Looking at the profit figures of the society it revealed the constant but normal decrease trend.
2. Both, gross profit and net profit of the society are decreasing year-by-year that is an anxiety for the society as expenses raised back in 2010-11 by 0.05% and it may rise in coming years.
3. Looking at the proprietary ratio, it also shows a sudden decrease in proprietorship in society.

Ratio Analysis of Anklaav Milk Producer Co-Op. Society

Year	G.P RATIO	N.P RATIO	R.O.I RATIO	EXPENSE RATIO	PROP. RATIO
2008-09	7.96%	0.37%	13.61%	9.39%	4.48%
2009-10	8.025%	0.56%	19.56%	10.72%	4.38%
2010-11	9.044%	0.58%	20.66%	10.74%	4.42%

Interpretation:

1. Looking at the profit figures both groups as well as net, a constant increase trend has been there.
2. Besides, return on total investments of society, is also increasing year-by-year. In near future it may about 23% or more.
3. But, there is an anxiety over society's financial performance that is expense ratio. Expenses of the society are increasing year-by-year; however, it is normal distinctive leap.

Ratio Analysis of Moraj Milk Producer Co-Op. Society

Year	G.P RATIO	N.P RATIO	R.O.I RATIO	EXPENSE RATIO	PROP. RATIO
2008-09	4.29%	1.89%	52.62%	3.61%	6.25%
2009-10	4.49%	2.02%	54.13%	3.84%	7.84%
2010-11	3.83%	1.37%	34.66%	3.81%	8.99%

Interpretation:

1. Profit figures of the society suffer from a mixed trend, both gross-profits as net profit of the society.
2. Return on investment of the society has increased in 2009-10 but in 2010-11 there is a decreasing trend with decrease of 19.47%.



3. Besides, proprietary ratio reveals a good business practice of the society it was 8.99% approx in 2010-11.

Ratio Analysis of Umreth Milk Producer Co-Op. Society

Year	G.P RATIO	N.P RATIO	R.O.I RATIO	EXPENSE RATIO	PROP. RATIO
2008-09	2.41%	0.997%	23.80%	3.50%	15.83%
2009-10	3.82%	2.93%	77.93%	4.52%	12.79%
2010-11	3.17%	1.03%	27.14%	3.39%	13.68%

Interpretation:

1. Looking at the profit-figures of the society. It can be said that there is a break within increasing trend of last three years.
2. Because financial year of 2010-11 has been worse for the society in compare to above years.
3. But, in case of total expanses society feel relax as expenses ratio has been down in 2010-11 to that of 4.52% in 2009-10.
4. Return on investment of the society plays a double-role, as it increased in 2009-10, and was 77.93%. but, it reduced about 50.79% in 2010-11. Decreasing return may cause reduction of profits.

Ratio Analysis of Rasnol Milk Producer Co-Op.Society

Year	G.P RATIO	N.P RATIO	R.O.I RATIO	EXPENSE RATIO	PROP. RATIO
2008-09	4.02%	2.79%	96.62%	3.48%	13.59%
2009-10	2.87%	2.09%	68.98%	3.37%	13.29%
2010-11	2.67%	1.57%	52.71%	3.14%	13.92%

Interpretation:

1. Looking at the overall profitability of the society, it can surely be said that there is a decrease trend in profit-earnings.
2. Both, gross and net result of the society suffers a loss during the last three years.
3. Besides, proprietary ratio is showing trustworthy positions of the society and also reveals a normal push-up.
4. There is the same situation in total expenses of the society as is in proprietary ratio.

III. SUGGESTIONS

1. Borsad

- ✓ Borsad Milk Co-Operative Ltd's milk production is increasing year by year.
- ✓ Borsad Milk Co-Operative Ltd is being seen having good profit- figure but they should maintain it by constant internal control.

2. Rangpur

- ✓ Rangpur Milk Co-Operative Ltd should arrange a special care-plan for their cattles to grow up their heath by which production can be increased.
- ✓ Rangpur Milk Co-Operative Ltd should look after falling figures of milk-productions more purchase of milk would be profitable.

3. Mahelav

- ✓ Mahelav Milk Co-Operative Ltd should arrange a 24 X 7 facility for drinking water to cattles.
- ✓ Mahelav Milk Co-Operative Ltd should increase their cattles every year to minimize the loss received due to death of cattles.
- ✓ Mahelav Milk Co-Operative Ltd is being seen having good profit- figure but they should maintain it by constant internal control.

4. Roonaj

- ✓ Roonaj Milk Co-Operative Ltd should use more minerals mix for their cattles to grow fast.
- ✓ They should boost-up milk production by collecting more milk from the members.

5. Anklav



- ✓ Anklav Milk Co-Operative Ltd should arrange a special care-plan for their cattles to grow up their health by which production can be increased.
- ✓ Anklav Milk Co-Operative Ltd should must look after falling figures of milk-productions more purchase of milk would be profitable.

6. Moraj

- ✓ Moraj Milk Co-Operative Ltd should extend their manpower to further control over milk production operation.
- ✓ Moraj Milk Co-Operative Ltd's ratio between cows and buffalos should be maintain for increase in milk-production.

7. Umreth

- ✓ Umreth Milk Co-Operative Ltd should arrange a 24 X 7 facility for drinking water to cattles.
- ✓ Umreth Milk Co-Operative Ltd should increase their cattles every year to minimize the loss received due to death of cattles.
- ✓ Umreth Milk Co-Operative Ltd is being seen having good profit- figure but they should maintain it by constant internal control.

8. Rasnol

- ✓ Rasnol Milk Co-Operative Ltd should use more mineral mix for their cattles grow fast.
- ✓ Rasnol Milk Co-Operative Ltd should look after sales-promotion by expanding their area towards affiliated villages near by.
- ✓ Rasnol Milk Co-Operative Ltd should increase more milk-production and profit too.

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