

**A Study on Financial Performance Analysis towards Co-operative Milk Producers Union
Limited with Reference to Salem District**

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Abstract

It refers to the founding expressive relationship amid various items of the two financial declarations i.e. Income statement and position declaration. It determines monetary forte and faintness of the firm. Examination of monetary declarations is an attempt to measure the competence and recital of an initiative. Financial analysis is the procedure of evaluating businesses, projects, finances and other economics related units to determine their performance and correctness. Economic analysis is used to evaluate commercial trends, set economic policy, build long-standing plans for corporate activity, and classify projects or businesses for deal. This is done finished the synthesis of financial statistics and data. Thus, the analysis and clarification of monetary statements is very vital to amount the efficiency, success, financial reliability and upcoming forecasts of the commercial units. In this context the Administration has fortified the co-operatives by providing financial, managerial and technical assistance to organize more number of Cooperative societies so as to bring the milk producers under its fold.

Keywords: *Financial position, Liquidity position, Performance appraisal,*

Introduction

Financial analysis is the procedure of evaluating businesses, projects, finances and other economics related units to determine their performance and correctness. Typically, financial analysis issued to analyze whether an entity is stable, solvent, liquid or profitable enough to warrant among entry investment. when observing at a specific company, a fiscal analyst conducts study by focusing on the income announcement, stability sheet and moneys flow account.

Economic analysis is used to evaluate commercial trends, set economic policy, build long-standing plans for corporate activity, and classify projects or businesses for deal. This is done finished the synthesis of financial statistics and data. One of the most mutual ways to examine financial data is to compute ratios from the statistics to compare against those of extra companies or against the firm's own historical recital. For example, Return On Assets (ROA) is a common ratio used to administer how capable a firm is at using its goods and as a quantity of accomplishment. This relation could be envisioned for numerous like companies and likened as portion of a greater investigation.

Monetary examination incomes creating a meaningful connection among various items of the dual economic statements with each other in such a way that a conclusion is drawn. By financial statements we mean two statements:

- (i) Income and loss Explanation or Revenue Statement
- (ii) Equilibrium Piece or Position Report

These are ready at the finish of a agreed period of while. They are the pointers of success and financial reliability of the commercial concern. The term monetary examination is also recognized as study and clarification of monetary declarations.

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statements is very vital to amount the efficiency, success, financial reliability and upcoming forecasts of the commercial units.

Meaning of dairy cooperatives;

Dairy Obliging is an connotation of small-land-holder of milk creators, bordering agriculturalists and dispossessed to establish to produce exploit and milk crops, group of milk, carry out investigation to upholding the excellence of exploit and bovine, achieve the farm and manufacture of fodder and advertising the milk and drain products. It serves the attention of not only to its members but also public at great.

Objectives of dairy cooperatives;

The Dairy Co-operatives have been prearranged with various purposes. Firstly, they have a role in supplementing the milk manufacture and thus increasing the per capita obtainability of milk which has been declining. Then they have the object of supplying quality milk to the urban consumers at sensible rates. Thirdly they have to recover the rural cheap by increasing the quality of milk faunae, regular milk yield and enable milk production as an economic venture. The milk co-operatives therefore have a critical role to play both from the creators and customers point of view. Inspiration of Obliging milk supply / creators culture so has been a dedicated plan of Management. In this context the Administration has fortified the co-operatives by providing financial, managerial and technical assistance to organize more number of Cooperative societies so as to bring the milk producers under its fold.

Financial analysis serves the following purpose:

- Measuring the success:
- Indicating the drift of Attainments:
- Assessing the growth likely of the business:
- Assess overall monetary strength:
- Assess creditworthiness of the firm:

REVIEW OF LITERATURE

Gaabalwe (2015) has done descriptive studies on “monetary performance dimension of South Africa’s top companies: an exploratory investigation” he has made study on the base of

experiential, he applied secretarial tools like relation and applied arithmetical tools like mean, normal nonconformity, and z test. For the determination of study he has enabled the study and reading; the Z Nicks of the tried firms were practically used to organize the corporations into three groups like high, middling and low. Outcomes also obscure important alterations for the present ratio, wateriness share, return on investment laboring ratio, debts-equity ratio, where unimportant changes for list ratio, debtors ratio, entire assets income ratio, present assets income ratio, gross income margin relation, net income ratio. For the repetition of examination and clarification he has comprised a dangerous look at the monetary presentation measures tinted by the Top Businesses in their secretarial data.

Jhala (2016) deliberated in her Ph. D thesis about “An Logical Study of Monetary Presentation of Refinery Manufacturing of India” and for the drive of analysis, seven components have taken for the period 1998-2003 for the investigative study of performance of the selected units. In this study, she has covered the fiscal aspects of these 7 units then has been analyzed by routine analysis. She had tried to get most momentous and viscid finance related data of the designated units and Z-score, Anova test, numerous ratio study, association matrix trend study, as well as multivariable study method have been used to analyse the data of the parts. She has concluded from the fluidity test, it can be said that CPCL has average fluidity spot, it has better liquidity spot but however it was as well below standard close. BPCL, IOC, MRP has very poor fluidity position and sighted to working level efficiency, KRL has very respectable inventory turnover routine but it was poor in debtors’ turnover recital as well as BPCL was good to debtors’ turnover but not in inventory turnover efficiency. On the basis of study she optional that, company should to make well-organized use of net fixed assets as well as present assets, try to maintain liquidness level, decrease the outside funds, modification the policy of praise and reduce the cost.

Chakraborty S. K. (2017) :- In this investigation author try to make change among cash occupied capital v/s balance sheet salaried capital. And research is based on two extents. Fist is operational cycle concept and next calculation of effective cycle period in all the four suitcases. Main aim of this inquiry is to exhibit functional cycle concept based on distributed annual explosion of the firm.

Natarajan sundar (2018):- has been given views on employed capital is having huge important at both, the countrywide as well commercial level. To keep control on occupied capital at the countrywide level by controlling credit panels. In practice efficient salaried capital includes to determine the best suitable equal of working capital, backing it and control over it. If we communicated about corporate level investment is important in both case short term investment and fixed assets. And that can be likely many company not living as well not experiencing profit because of not professionally manage the employed capital. Thus, cost organization with improved operational competence, and that aspect occupied capital is very vital to be manage in good way.

Statement of the problem

The present study is intended to study the working principal management in Aavin dairy. The supervision of both recent assets and recent liabilities has been critically examined. The current slice of total capital has drawn little devotion in India. Of course waged capital managing has acquired important spot and great significance in the topical past. However, the study work on his topic is still in its beginning. Many a time in the occasion of a failure of an innovativeness the shortage of working wealth is given out as its main cause. Then in the ultimate analysis it may be the misconduct of working capital. Employed capital organization which is connected with temporary financial choices appears to be

Relatively neglected by monetary experts. Thus, after going through current literature in the library, considering the obtainability of time, information, tools and techniques of and other related sources and after deep discussion with guide, investigator has selected this topic.

Scope of the study

- The scope of the study is to provide an insight into concept of monetary presentation analysis and explained it by actually financial presentation.
- The study covers nearly the entire area of financial operations enclosed by” AAVIN SALEM DISTRICT CO-OPERATIVE PRODUCERS UNION LTD” the study has been lead with the help of data obtained from a monetary record.
- The checked financial record are the business annual reports relating to past 4 years from 2015 to 2019 and the checked financial records are got from the business’s yearly report.

- The basis for financial arrangement and analysis financial material, financial need to predict relate and evaluate the form making ability.

Objectives of study

- To know the fluidness position of the concern by since the position of up-to-date asset and current dangers.
- To analyze the difficulties of financial performance analysis faced by Aavin milk producers at Salem district.
- To study the profitability position of the syndicate by investigating the various factor influencing the profitability.
- To determine the fiscal condition and financial routine of the steady.

RESEARCH METHODOLOGY

Meaning of research methodology

Research practice is a way to systematically solve the investigation problems. Rendering in Clifford woody” investigation compresses defining and redefining glitches, expressing theory or suggested solutions. Amassing, organizing and assessing data, creation inference and at last carefully difficult conclusion to regulate whether they fit the framing theory.

Meaning of research design

The difficult problem that follows the task of important the research problematic is the preparation of plan of the research project, popularly acknowledged as the exploration design, decision regarding what, anywhere, how much, by what incomes concerning an review of a investigation study found a research design. a investigation design is the preparation of circumstances for collection and examination of data relevance to the research drive with budget in process.

Sources of data

Data we collected based on two sources.

- Primary data.

- Secondary data

Secondary data:

The subordinate data are those which have previously been calm by some other agency and which have already been processed. the bases of secondary data are yearly reports, glancing internet, finished magazines.

- It comprises data met from the annual report.
- Articles are calm form official website.

Methodology used:

Type of financial statements adopted

Following two types of fiscal statements are commonly rummage-sale in examining the firm's economic position

- Balance sheet.
- Income statements

DATA ANAYSIS AND INTERPRETATION

WORKING CAPITAL

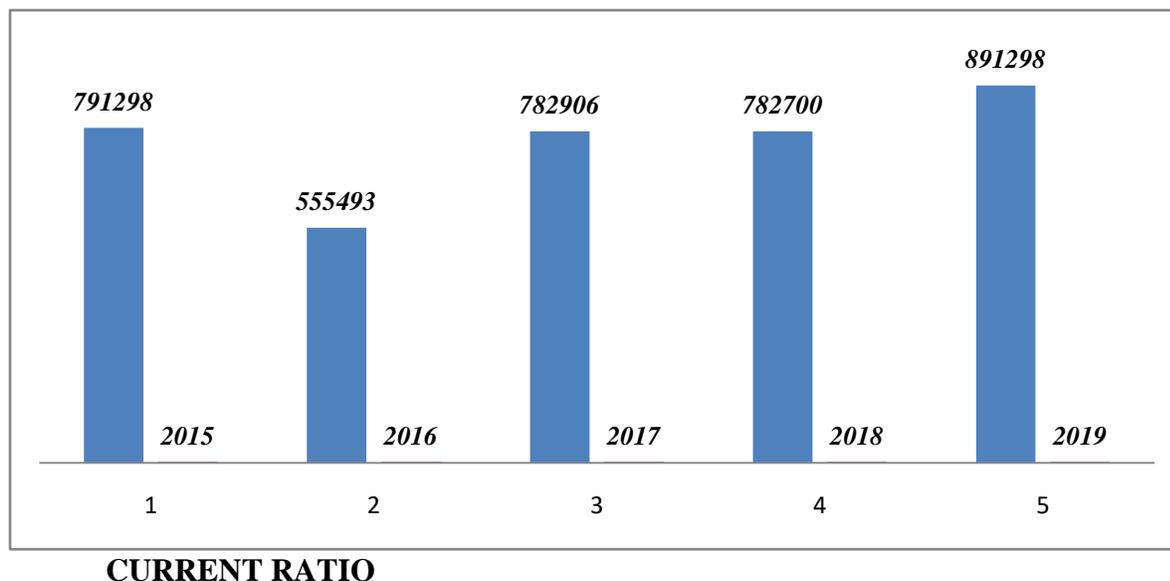
Working capital ratio analysis (2015 to 2019)

S.NO	YEAR	RS.
1	2015	791298
2	2016	555493
3	2017	782906
4	2018	782700
5	2019	891298

Interpretation

From the above table find that, working capital is maximum Rs.891298 in year of 2019, in the year 2015 working capital isRs.791298, in the year 2017 working capital is Rs.782906, in

the year, 2018 working capital is Rs.782700 and minimum working capital in Rs.555493 in year of 2016.



S.NO	YEAR	RATIO
1	2015	2.48 times
2	2016	1.60 times
3	2017	1.90 times
4	2018	1.82 times
5	2019	1.75 times

Interpretation

From the above table find that, current ratio is maximum 2.48 times in year of 2015, in the year 2017 current ratio is 1.90 times, in the year 2018 current ratio is 1.82 times, in the year, 2019 current ratio is 1.75 times and minimum current ratio in 1.60 in year of 2016.

LIQUID RATIO

S.NO	YEAR	RATIO
1	2015	1.86times
2	2016	1.18times
3	2017	1.46 times
4	2018	1.82 times
5	2019	1.75 times

Interpretations

From the above table find that, liquid ratio is maximum 1.86 times in year of 2015, in the year 2018 liquid ratio 1.82 times, in the year 2019 liquid ratio is 1.75 times, in the year, 2017 liquid ratio is 1.46 times and minimum liquid ratio in 1.18 in year of 2016.

FINDINGS:

From the above table find that, working capital is maximum Rs.891298 in year of 2019, in the year 2015 working capital isRs.791298, in the year 2017 working capital is Rs.782906, in the year, 2018 working capital is Rs.782700 and minimum working capital in Rs.555493 in year of 2016.

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SUGGESTIONS:

- Financial show analysis of the business has increasing every year. Income also cumulative every year this is respectable sign for the business. It has to maintain it further, to run the commerce long period.

- The Current and quick ratios are almost up to the normal requirement. So the on monetary performance study. Aavin. is satisfactory and it has to sustain it further.
- The firm has sufficient monetary performance inquiry and has better liquidness place. By effectual utilizing this short-term wealth, then it should surge the income.
- The business should take protective measures for capitalizing and gathering funds from receivables and to decrease the bad arrears.
- The corporation has sufficient financial presentation examination and has better liquidness position. By efficient utilizing this temporary capital, then it should upsurge the income.
- The company is utilizing on monetary performance study effectively this is worthy for the firm. It has to keep it further.

CONCLUSION:

The study on financial presentation analysis conducted in Aavin. to analyze the fiscal position of the business. The company's monetary position is analyzed by by the tool of annual gossips from 2015-16 to 2018-19.

The monetary status of Aavin. Is good.

In the last year the record turnover has increased, this is decent sign for the business. The company's liquidness position is very good Through regard to the savings in current possessions there are passable funds invested in it. Care must be taken by the corporation not to make additional investments in present assets, as it would block the coffers, which could otherwise be efficiently utilized for some creative drive. On the whole, the business is touching onward with outstanding management.

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