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THE BUSINESS AND FINANCIAL PERFORMANCE ANALYSIS OF THE CONSUMER COOPERATIVE WHOLESALE STORES OF NILGIRIS DISTRICT

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ABSTRACT

Positive financial planning and management, both are the primary elements to the successful operation of any cooperatives. Positive financing means the requirement and utilization of both equity and borrowed capital. It also comprises the analysis of financial records for proper financial controls. This study tries to pinpoint those financial ratios which are very useful to measure the financial soundness and stability of the Consumer Cooperatives. The Consumer cooperatives need to visualize their operations, policies and strategies for effective utilization of available financial and human resources.

KEYWORDS: Consumer Cooperatives, Policies, Financial Performance, and Analyze.

INTRODUCTION

The consumer cooperatives are playing an important role in providing essential items and other commodities to the consumer at reasonable prices. They have continued to help in strengthening the distribution network of essential commodities and safeguarding the interest of the consumer against artificial scarcity, overcharging of prices and supply of substandard goods. The Consumer cooperatives are enterprises owned by consumers and managed democratically which aim at fulfilling the needs and aspirations of their members. They operate autonomously within the market system, as a form of mutual aid, oriented towards service rather than pecuniary profit. The consumer cooperatives play a pivotal role in distributing consumer goods as well as improving socio-economic conditions of consumers, employees and nation as a whole.

In rural and urban areas alike, consumer cooperatives were first organized to provide consumer goods with controlled price and to fight against the unfair practices of private traders. Over the years, consumer co-ops have experienced “waves” of growth and development, followed by

periods of decline. The first of these waves began in the early 1900's with what was called “the Rochdale plan”. Under this plan consumers organized into buying groups to purchase from a cooperatively owned wholesaler. The wholesaler would then gradually help these buying clubs through their retail outlets.

In India, the erstwhile Madras State was the pioneer in the field of Cooperative Movement. The first consumer cooperative society was set up in Madras, namely 'The Triplicane Urban Cooperative Society Limited' in 1904 with the prime aim of supplying necessities of life to its members and it has grown up as one of the largest consumer cooperative societies in India'. With the passing of Cooperative Credit Societies Act, 1904, the Madras state gave registration to the Triplicane Urban Cooperative Society followed by the registration to the Coimbatore Cooperative Society in 1906. However, the consumer cooperatives got legal recognition only after the enactment of the Cooperative Societies Act, 1912. Later the consumer cooperatives got their growth in the national, state, district and primary levels rose for their easy governing.

STATEMENT OF THE PROBLEM

The Nilgiris District Consumer Cooperative Wholesale Store Ltd. is one of the best Consumer Cooperative Store in the State. The store when compared to the other private departmental stores is running well with its best quality goods at correct measurement and at reasonable price. The store stabilizes the rate of the consumer goods in the society. Yet due to some circumstances such as minimum branches, insufficient funds, the store faces a lot of problems. In this context the present study has been undertaken.

- What is the working profile of Nilgiris Consumer Cooperative Wholesale Stores?
- What is the inclination of purchase, sales and stock and in turn profit of Select Consumer Cooperative Wholesale Stores?

OBJECTIVES OF THE STUDY

The objectives of this present study are the following

1. To analyze the Business and Financial Performance of the CWS.
2. To offer suitable suggestions for the improvement and successful functioning in the competitive business environment.

METHODOLOGY

A case study method was adopted the present study. All the data were collected from the Nilgiris District Consumer Cooperative Wholesale Stores Ltd.,

SOURCES OF DATA

The data used for the present study is secondary data which is collected from the Bylaw, Audit reports and Annual reports of the respective stores.

PERIOD OF THE STUDY

The present study covered a period of ten years i.e., from 2004- 05 to 2013- 14.

TOOLS FOR ANALYSIS

In this study, the following tools are used for the analysis

- ❖ Average, Compound Annual Growth Rate
- ❖ Ratio Analysis

LIMITATIONS OF THE STUDY

- The study is based on the published annual reports and audit reports of the stores which is subject to limitation of financial information.
- Few employees in the store hesitate to give the audit reports due to fear of many and felt inadequately to respond us by spending time.
- Time is the basic limitation of the research, within a short period the researcher has to collect a lot of information.

OBJECTIVES OF THE STORES

1. To purchase in bulk articles of domestic consumption and sell them in wholesale and retail.
2. To purchase or hire processing plants for the purpose of processing and or manufacturing goods into a state fit for consumption.
3. To construct, purchase or hire godowns or yards for the purposes of storage, processing or manufacture of goods.
4. To purchase or hire Lorries for the transport of goods.
5. To act as an agent of the government and/or cooperative societies to procure and stock food grains and other commodities.
6. To sell the goods purchased, processed or manufactured by it to its affiliated primary stores, at wholesale rates.
7. To undertake retail distribution of goods purchased, processed or manufactured by it.
8. To open branches and supermarkets for retail distribution at suitable places within its area of operations.
9. To undertake such other activities as are deemed as essential for the attainment of any or all of the above objectives.

FUNCTIONS OF THE STORES

1. The main function of the store is to purchase goods in bulk and sell them at reasonable price.
2. The stores is supplying the requirements of the member institutions and individual members for reasonable price with good quality.
3. The stores started its branches at various places of Nilgiris for rendering effective services.

MEMBERSHIP

The membership shall consist of two classes. Every primary store, primary village credit society, marketing society or any other society which prefer supply of consumer goods working in the jurisdiction of the society shall be eligible to be admitted as 'A' class member. Any individual or institution approved by the government in this behalf by general or special order of the State Government shall also be eligible to become 'A' class member. Any person over 18 years of age competent to contract and residing within the area of operation of the society specified in By Law-I shall be eligible for admission as a 'B' Class member.

Table- 1
Membership

Year	Membership		
	'A' Class	'B' Class	Total
2004-2005	158	495	653
2005-2006	158	496	654
2006-2007	158	496	654
2007-2008	157	496	653
2008-2009	157	496	653
2009-2010	157	496	653
2010-2011	157	496	653
2011-2012	157	496	653
2012-2013	157	496	653
2013-2014	157	496	1297

Table 1 reveals the Membership Position of the CWS of Nilgiris District. It has not been changed much during 2004-05 to 2012-13 653& 654 respectively. But, the membership was raised nearly twice a time (1297) during 2013-14.

CAPITAL STRUCTURE

The capital structure in CWS is consisting of owned funds and borrowed funds. Reserve Fund (created out of net profit) together with share capital constitutes owned funds. Owned funds facilitate to borrow money from banks and financial institutions. The maximum borrowing

power of the stores determined on the basis of owned funds. Borrowed funds consist of deposits mobilized and loans borrowed from financing banks. Deposits pertaining to CWS are staff-security deposits, trade deposits and fixed deposits. Borrowings made from District Central Cooperative Bank. Total borrowings consist of government loans, cash credit accommodations and short-term loans.

Table- 2
Capital Structure Capital Structure

(Rs. in Lakhs)

Year	Share Capital (in lakhs)	GI	Reserve Fund (in lakhs)	GI	Deposits	GI	Borrowings (in lakhs)	GI	Total	GI
2004-05	11.97	-	4.50	-	15.60	-	53.30	-	85.37	-
2005-06	11.97	100.00	4.50	100.00	14.55	0.93	58.20	109.19	89.22	104.50
2006-07	11.96	99.92	4.50	100.00	14.52	0.99	52.14	89.59	83.12	93.16
2007-08	10.96	91.64	4.50	100.00	12.02	0.83	25.77	49.42	53.25	64.06
2008-09	9.96	90.88	4.50	100.00	4.42	0.37	27.98	108.58	46.86	88
2009-10	9.96	100.00	4.50	100.00	4.23	0.96	47.15	168.51	65.84	140.50
2010-11	9.96	100.00	4.50	100.00	4.93	1.17	3.07	65.17	22.46	34.11
2011-12	9.96	100.00	5.03	100.00	4.89	0.99	32.15	104.62	52.02	231.61
2012-13	10.61	106.53	5.03	111.78	5.04	1.03	49.29	128.43	69.96	134.48
2013-14	26.94	100.38	5.03	100.00	4.99	0.99	40.49	98.06	77.42	110.66
Total	124.25		46.59		85.19		389.54		46.59	
Average	12.42		4.65		8.519		38.95		4.65	

The share capital was Rs. 26.94 lakhs at the end of the study period and its average share capital stood at Rs. 12.42 lakhs. The average reserve fund, deposits and borrowings were Rs. 4.65 lakhs, Rs. 8.52, Rs. 38.95 respectively. The total sources of funds were high during 2005-06 and low during 2010-11, amounting Rs. 89.22 and Rs. 22.46 respectively.

PURCHASE

The store is purchasing commodities through Joint Purchase Committee. They also purchase them directly from companies, local stockiest and from Cooperative Marketing Societies. The commodities purchased are grouped as controlled goods and non- controlled goods. The controlled goods are distributed through fair price

shops and the non- controlled through supermarkets, etc.

- Oil purchased through oil mills by tender system.
- Drugs purchased through companies as well as through Joint Purchase Committee.
- Groceries and rice purchased through Joint Purchase Committee.
- Fruits and vegetables are purchased locally.
- Cosmetics are directly purchased from manufactures; few articles are purchased from local dealers to fulfill the local needs.

**Table- 3
Purchase
(Rs. in Lakhs)**

Year	CG	NCG	Total	GI
2004-2005	691.47	341.40	1032.87	-
2005-2006	801.70	370.98	1172.68	113.54
2006-2007	682.76	430.61	1113.37	94.94
2007-2008	705.41	360.92	1066.33	95.77
2008-2009	1453.95	-	1453.95	136.35
2009-2010	927.47	551.07	1478.54	101.69
2010-2011	902.87	402.24	1305.11	88.27
2011-2012	832.66	515.66	1348.32	103.31
2012-2013	795.52	527.71	1323.23	98.14
2013-2014	726.61	439.34	1165.95	88.11
Total			12460.35	
Average			1246.04	

Table 4 represents the Purchases made by the stores for the period of ten years from 2004-05 to 2013-14. It was Rs. 1032.87 lakhs in 2004-05 and it increased to Rs.1165.95 lakhs in 2013-2014. Purchase made by the stores over a period of ten year shows fluctuating trend and at the middle of the study period (2009-10) it stands high i.e. Rs. 1478.54 lakhs.

SALES

The commodities that are bought are to be sold in two categories of goods as controlled goods and non controlled goods. The goods that are

distributed through fair price shops in limited quantity at reasonable prices are controlled goods, like rice, dhal, oil, sugar. The goods sold through other super markets, retail shops are non controlled goods. These goods can be bought in the quantity on the choice of the consumer for reasonable rate but more than the controlled goods. All the products are sold as non controlled goods.

Grocery, rice, cosmetics, house hold articles, oil, fruits and vegetables, text books and note books, crackers, etc. are purchased and made for sales.

Table- 4
Sales**(Rs. in Lakhs)**

Year	CG	NCG	Total	GI
2004-2005	785.55	324.30	1109.85	-
2005-2006	841.99	416.50	1258.49	113.39
2006-2007	745.11	446.23	1191.34	94.66
2007-2008	702.25	440.00	1142.25	95.88
2008-2009	1500.75	258.31	1759.06	153.10
2009-2010	956.88	652.16	1609.04	91.47
2010-2011	980.85	408.32	1389.17	86.34
2011-2012	835.34	572.30	1407.64	101.33
2012-2013	811.85	558.92	1370.77	97.38
2013-2014	744.15	497.04	1241.19	90.55
Total			13478.8	
Average			1347.88	

Table 4 expresses the Sales position of the Cooperative Wholesale Stores of the Nilgris. During 2004-2005 the Sale of necessities amounting Rs. 1109.85 lakhs and it is Rs. 1241.19 lakhs in 2013- 2014. The volume of sales is at the maximum during 2008-09, i.e. Rs. 1759.06 lakhs.

OUTPUT OF THE BUSINESS

The Output of the store is the exact component which shows the efficient working of the store. The output is detected in two ways, Gross Profit and Net Profit. The Gross Profit is the one, which is the actual return we receive from our investments in our business while the Net Profit is the one, which comes after deducting all the cost occurred from the Gross Profit. These are the things for which the business is done but in

cooperatives, gaining profit comes next to the service.

GROSS PROFIT

The Gross Profit is the actual return we received from the investments we invested in the business. This profit is undivided profit and from this profit the cost, expenses, interest, charges are deducted. After reducing all the expenses the final sum is the net profit which will be distributed according to the Bylaw.

NET PROFIT

The Net Profit is the sum which we receive from the Gross profit. The net profit is distributed to its member and a part is allocated in many items such as, Cooperative Research and Development fund, Cooperative Education Fund, Reserve Fund, Common Good Fund, Price Fluctuation Fund, Dividend, etc.

Table- 5
Output of the Business
(Rs. in Lakhs)

Year	Gross Profit/ Loss	G I	Net Profit/ Loss	G I
2004-2005	27.91	-	8.24	-
2005-2006	59.27	212.36	-2.41	-29.25
2006-2007	123.93	209.09	7.96	96.60
2007-2008	121.67	98.18	25.25	306.43
2008-2009	138.04	113.45	30.01	364.20
2009-2010	145.69	105.54	5.78	70.15
2010-2011	185.73	127.48	9.70	117.72
2011-2012	174.25	93.82	20.93	254.00
2012-2013	128.91	73.98	1.68	20.39
2013-2014	143.47	111.29	-35.47	-430.46
Total	1248.87		71.67	
Average	124.89		7.17	

Table 5 indicates Gross Profit and Net Profit position of the stores. It expresses that the Gross Profit during 2004-2005 is Rs. 27.91 lakhs and it was high during 2010-11 i.e. Rs. 185.73. The store must improve its performance to meet the expenditure. The Net Profit was high during 2008-09 i.e. Rs. 30.01 lakhs. The stores incurred loss during 2005-06 and 2013-14. The store has to take steps to reduce expenditure and improve its performance to gain profit.

RATIO ANALYSIS

A ratio is simple arithmetical expression of the relationship of one number to another. It may be defined in the high light of finding and suggestion have been arrived for improving the financial statement analysis. It may be defined as the indicated quotient of 2 mathematical expressions. In a simple language ratio is one number expressed in items of another and can be worked out by dividing one number in to another.

The ratio analysis is one of the most powerful tools of financial analysis. It is the process of establishing and interpreting various ratios. It is with the help of ratio that the financial statements can be analyzed more clearly.

LIQUIDITY RATIO

Liquidity refers to the ability of a concern to meet its current obligations as and when these become due. The short term obligations are met by realizing amounts from current, floating on circulating assets. The current assets should either be liquid or near liquidity. These should be convertible into cash for paying obligations of short-term nature. The bankers, suppliers of goods and other short-term creditors are interested in the liquidity of the concern. They are:

- I. Current Ratio
- II. Liquid Ratio

- III. Absolute Liquid Ratio
- IV. Inventory turnover ratio
- V. Debtors turnover ratio
- VI. Creditors turnover ratio

CURRENT RATIO

Current ratio may be defined as the relationship between current assets and current liabilities. Current assets are cash in hand, cash at bank, marketable securities, bills receivable, sundry debtors, inventories, work in progress, prepaid expenses. Current liabilities are outstanding expenses, bills payable, sundry creditors, short term advances, income tax payable, dividend payable, bank overdraft. This ratio, also known as working capital ratio, is a measure of general liquidity and is most widely used to make the analysis of a short - term financial position or liquidity of a firm. It is calculated by dividing the total of current assets by total of the current liabilities.

LIQUID RATIO

Liquid ratio is used to assess firm's short term liquidity asset of the stores. The relationship of liquid asset to current liabilities is known as liquid ratio. It is otherwise called as quick ratio or acid test ratio. Liquid assets are cash in hand, cash at bank, bills receivable, sundry debtors, marketable securities. If the assets are liquid it can be converted into cash immediately or reasonably soon without a loss of value.

ABSOLUTE LIQUID RATIO

This ratio is concerned with the relationship between absolute liquid assets and current liabilities. Absolute liquid assets include cash in hand, cash at bank and marketable securities or temporary investments. The acceptable norm for this ratio is 0.5:1.

FORMULAE		
$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}}$	$LR \text{ or } ATR = \frac{\text{Liquid Assets}}{\text{Current Liabilities}}$	$ALR = \frac{\text{Absolute Liquid Assets}}{\text{Current Liabilities}}$
CR : Current Ratio	LR or ATR : Liquid Ratio or Acid Test Ratio	ALR : Absolute Liquid Ratio

Table-6
Components of Liquidity Ratios

(Rs. in Lakhs)

Year	Current Asset	Liquid Asset	Absolute Liquid Asset	Current Liability
2004- 05	152.02	98.66	1.45	166.95
2005- 06	188.52	143.34	-5.97	230.35
2006- 07	237.72	183.80	15.39	271.45
2007- 08	256.57	200.03	13.56	268.41
2008- 09	332.02	231.30	5.79	326.80
2009- 10	378.27	228.57	7.50	368.85
2010- 11	389.07	257.25	15.70	371.27
2011- 12	431.28	263.77	12.03	394.00
2012- 13	350.22	203.64	13.06	305.23
2013- 14	300.79	213.45	37.98	270.66
Total	3016.48	2023.81	116.49	2973.97
Average	301.65	202.38	11.65	297.40

Table 6 reveals that, the current assets, the liquid assets are at the maximum during 2011-12, i.e. Rs. 431.28 lakhs and Rs. 263.77. The absolute liquid assets are high during 2013-14 as it was Rs. 37.98

lakhs. The current liabilities were more than the current assets for few years at the beginning of the study period.

Table-7
Liquidity Ratios

(Rs. in Lakhs)

Year	Current Ratios (in times)	Liquid Ratios (in times)	Absolute Liquid Ratios (in times)
2004- 05	0.91	0.59	0.01
2005- 06	0.82	0.62	-
2006- 07	0.88	0.68	0.06
2007- 08	0.96	0.75	0.05
2008- 09	1.02	0.71	0.02
2009- 10	1.03	0.62	0.02
2010- 11	1.05	0.69	0.04
2011- 12	1.09	0.67	0.03
2012- 13	1.15	0.67	0.04
2013- 14	1.11	0.79	0.14
Total	10.02		
	1.002		

Table 7 shows the current ratio, liquid ratio and absolute liquid ratio of the stores for the period of ten years from 2004-2005 to 2013-2014.

- The acceptable standard norm for current ratio is 2:1 and its ratio fluctuates from 0.82 to 1.15 during the study period. The current ratios are far below the satisfactory level. The stores required to strengthen the short term financial position to meet the current liabilities.
- The liquid assets of the stores are far below to cover its current liabilities. The Liquid Ratios over a period of 10 year are less than the satisfactory level because its acceptable norm is 1:1 and its ratios range from 0.59 to 0.79 is slightly low.
- The Absolute Liquid Ratio is much below the acceptable standard norm of 0.5:1 and it ranges from 0.01 to 0.14.

**TURNOVER RATIOS
DEBTORS OR RECEIVABLES
TURNOVER RATIO**

The Consumer cooperative wholesale stores may sell goods on cash as well as on credit. Credit is one of the important elements of sales promotion. The volume of sales can be increased by following a liberal credit policy. But the effect of a liberal credit policy may result in trying up

substantial funds of a firm in the form of trade debtors.

**CREDITORS / PAYABLES
TURNOVER RATIO**

In the course of business operations, a firm has to make credit purchase and incur short-term liabilities. A supplier of goods, I e., creditor, is naturally interested in finding out how much time the firm is likely to take in repaying its trade creditors. The analysis for creditors turnover is basically the same as that of debtors turnover ratio except that in place of trade debtors, the trade creditors are taken as one of the components of the ratio and in place of component of the ratio same as debtors turnover ratio.

INVENTORY TURNOVER RATIO

Inventory turnover ratio also known as stock velocity is normally calculated as sale/average inventory or cost of goods sold/average inventory. It would indicate whether inventory has been efficiently used or not. The purpose is to see whether only the required minimum funds have been locked up in inventory the stock has been turned over during the period and evaluates the efficiency with which a firm is able to manage its inventory.

FORMULAE		
$DTR = \frac{\text{Net Sales}}{\text{Trade Debtors}}$	$CTR = \frac{\text{Net Purchases}}{\text{Trade Creditors}}$	$ITR = \frac{\text{Cost of Goods sold}}{\text{Average inventory at cost}}$
DTR : Debtors Turnover Ratio	CTR : Creditors Turnover Ratio	ITR : Inventory turnover Ratio

Table-8
Debtors Turnover Ratio

Year	Sales	Trade Debtors	Ratios (In Times)	Purchases	Trade Creditors	Ratios (In Times)	Cost of Goods Sold	Average Inventory	Ratios (In Times)
2004- 05	1109.86	18.24	60.85	1032.86	47.61	21.69	1081.94	47.88	22.60
2005- 06	1271.02	52.60	24.16	1172.91	55.31	21.21	1211.75	47.30	25.62
2006- 07	1208.56	74.07	16.32	1111.23	41.89	26.53	1084.63	47.87	22.66
2007- 08	1168.69	72.50	16.12	1062.99	35.00	30.37	1047.02	54.07	19.36
2008- 09	1527.28	78.89	19.36	1451.33	73.57	19.73	1389.24	77.92	17.83
2009- 10	1608.33	81.90	19.64	1477.75	82.03	18.01	1754.02	94.29	18.60
2010- 11	1430.65	86.63	16.51	1305.12	74.76	17.46	1244.92	99.81	12.47
2011- 12	1450.75	85.75	16.92	1342.32	78.23	17.16	1276.50	105.98	12.04
2012- 13	1400.74	45.09	31.07	1323.22	30.99	42.70	1271.83	98.33	12.93
2013- 14	1241.19	34.91	35.55	1165.95	35.51	32.83	1097.72	90.92	12.07
Total	13417.07	630.58		12445.68	554.90		12459.57	764.37	
Average	1341.71	63.06		1244.57	55.50		1245.96		

(Rs. in Lakhs)

Table 8 reveals the Debtors Turnover Ratio, Creditors Turnover Ratio and Inventory Turnover Ratio of CWS of Nilgiris district for the period from 2004- 05 to 2013-14.

- The Debtors Turnover Ratio expresses the efficient management of debtors. It was high in 2004- 05 i.e. 60.85 times and low during 2007-08 i.e., 16.12 times. The stores should take necessary steps to collect its trade debtors by short duration but it has increased to 35.55 times during the end the study period.
- The Creditors Turnover Ratio (in times) is lesser, the management is efficient in managing the funds and if it is high, then the stores often pay to creditors reducing the working capital. The maximum number of times the payment is made by the stores during 2012- 13 and 2013- 14 is 42.70 times and 32.83 times respectively.
- The Inventory Turnover Ratio indicates number of times the stock has been turned over during the period. It also expresses

the decreasing trend from 22.60 times to 12.07 times during the study period.

PROFITABILITY RATIO

The primary objective of a business undertaking is to earn profit. Profit earning considered essential for the survival of the business. In the words of Lord Keynes, profit is the engine that drives the business enterprise. The business needs profits not only for its existence but also for expansion and diversification. The various profitability ratios are discussed below:

- ✓ Gross Profit Ratio
- ✓ Net Profit Ratio

Gross profit ratio measures the relationship of gross profit to net sales and usually represented in percentage. Net profit ratio establishes relationship between net profit and sales. It indicates the efficiency of management in manufacturing, selling, administrative and other activities of the firm. It determines the overall efficiency or profitability of the firm or business.

Table - 9
Gross Profit and Net Profit Ratios

Year	Sales	Gross Profit	Gross Profit Ratio (%)	Net Profit	Net Profit Ratio (%)
2004-2005	1109.85	27.91	2.51	8.24	0.74
2005-2006	1258.49	59.27	4.66	-2.41	-
2006-2007	1191.34	123.93	10.25	7.96	0.63
2007-2008	1142.25	121.67	10.41	25.25	2.09
2008-2009	1759.06	138.04	9.04	30.01	1.96
2009-2010	1609.04	145.69	9.06	5.78	0.36
2010-2011	1389.17	185.73	12.98	9.70	0.68
2011-2012	1407.64	174.25	12.01	20.93	1.44
2012-2013	1370.77	128.91	9.20	1.68	0.12
2013-2014	1241.19	143.47	11.56	-35.47	-
Total	13478.8	1248.87		71.67	
Mean	1347.88	124.89		7.17	

Table 9 reveals gross profit and net profit ratios of CWS of Nilgiris district for the period of ten years from 2004-05 to 2013-14. Gross Profit Ratio was 12.98% during 2010-11 and the Net Profit Ratio was 1.96% for the year 2008-09.

SUGGESTIONS

- Skilled persons have to be appointed.
- To increase the sales through adoption of sales promotion techniques.
- It should follow suitable purchase policy.
- There should be strictly control on price and quality goods and service rendered.
- The society has to develop new and unique products to stand against other sectors.
- The stores must be modernized as it could attract the people to use products of cooperative stores only.
- The motivational factors should be carried on to increase the profit.

CONCLUSION

The Nilgiris District Consumer Cooperative Wholesale Stores is rendering valuable services to its members as well as to the public. It also plays a significant role in Public Distribution System. Even though it serves public at large, it should concentrate on quality service and adopt proper information system and technology to compete with private traders. Finally, the financial performance of the store is quite satisfactory. Yet the store has to face some economical, political and financial challenges. Hence, it needs some policy changes to overcome them, is need of the hour.