A PROJECT REPORT ON

"A STUDY OF CAPITALISATION AND CAPITAL STUCTURE OF SHRI JAYBHAVANI URBAN CO-OPERATIVE CREDIT SOCIETY LTD; PETH VADGAON, KOLHAPUR

SUBMITTED TO,

VIVEKANAND COLLEGE, KOLHAPUR (EMPOWERED AUTONOMOUSE)

FOR PARTIAL FULFILLMENT OF THE

DEGEREE OF

MASTER OF COMMERCE

SUBMITTED BY,

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(B.COM)

UNDER THE GUIDANCE OF

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(EMPOWERED AUTONOMOUS)

YEAR: 2023-2024

Checked

06/03/24

DECLARATION

I do hereby state and declare that the project reports a study of **"A STUDY OF CAPITALISATION AND CAPITAL STUCTURE OF CAUDESVARI CO-OPERATIVE CREDIT SOCIETY LTD; MALSHIRAS, KOLHAPUR"** an original work prepared by me under the guidance of **Mr. Yogesh Mane,** Assistant Professor, Department of Commerce, submitted by me to Vivekanand College, Kolhapur as a partial fulfillment of the Master of Commerce course is my original work. The findings in this report are based on the data collected by me. The matter included in this report is not a reproduction from any other sources.

I also hereby declare that this project report has not been submitted at any time to any other university or institute for the award of any degree or diploma.

Place: Kolhapur

Date: / / 2024

22/4

BmGhadage

(Miss. Bharati Maruti Ghadage)

CLARIFICATION BY CO-ORDINATION

This is to certify that the present the project entitled **"A STUDY OF CAPITALISATION AND CAPITAL STUCTURE OF SHRI JAYBHAVANI URBAN COOPERATIVECREDIT SOCIETY LTD; PETH VADGOAN KOLHAPUR** "Submitted by Miss **Bharati Maruti Ghadge** in partial fulfilment of the degree leading to **"MASTER OF COMMERCE"** submitted to the Vivekanand College, Kolhapur (AUTONOMOUS) has been completed under the guidance and supervision of **Mr. Sunny S. Kale Co-ordinator** of Department of Commerce, Vivekanand College, Kolhapur (Autonomous)

To the best of my knowledge and belief the work and the matter presented here is original and has not been copied from any other source. Also, this has not been submitted earlier for the award of any degree or diploma of Vivekanand College, Kolhapur (AUTONOMOUS) or any other college.

Place: Kolhapur

Date: 22/04/2024

Mr. Sunny S. Kale

Co-Ordinator,

Department of Commerce,

Vivekanand College, Kolhapur (Empowered Autonomous)

CERTIFICATE BY GUIDE

This is to certify that the report entitled **"A STUDY OF CAPITALISATION AND CAPITAL STURCTURE OF CUANDESHWARI CO-OPERATIVE SOCIERY LTD. MALSHIRSH."** Submitted to department of Vivekanand College, Kolhapur (Autonomous). For the partial fulfilment of the degree **"MASTER OF COMMERCE"** is an independent research work carried out by **Miss Bharati Maruti Ghadage** under my supervision and guidance. To the best of my knowledge and belief this has not been previously submitted for the award of any degree or diploma of Vivekanand College, Kolhapur (Autonomous) or any other college.

Date: 22/04/2024

Place: Kolhapur

Mr. Yogesh Balbhim Mane

(Research Guide)

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Date: 22/04/2024

Place: Kolhapur

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CHAPTER I

INTRODUCTION AND RESEARCH METHODOLOGY

CHAPTER I

INTRODUCTION ANS RESEARCH AND METHODOLOGY

1.1 Introduction of the Study

The term co-operative is derived from the Latin word co-operari means 'to work'. Thus, co-operation means working together. It means those who want to work together with some common economic objective can form a society which is termed as "co-operative society". In India credit co-operative sector developed to help the peoples of low income group whom

banks generally do not gives loans because of risk, they are taking loans from the financiers at high interest rates. So society is the better option to help them. Society generally gives a wide range of banking and financial services like loans, F.D, R.D, saving, insurance etc., generally co-operative credit society is formed by members, who are at the same time the owners and the customers of their society . A co-operative 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. Ranging from small-scale to multi-million dollar businesses across the globe, co-operatives employ more than 100 million women and men and/8526 have more than 800 million individual members. Co-operative credit societies Act 1904 the first incorporation-Taking cognizance of these developments and to provide a legal basis for co-operative societies, the Edward law committee with Mr. Nicholson as one of the members was appointed by the Government to examine and recommend a course of action. The co-operative society's bill, based on the recommendations of this committee, was enacted on 25. march, 1904. As its name suggests, the co-operative credit societies Act was restricted to credit co-operatives. Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others. Credit co-op. society in India has a big role to play in economical development of law class and middle class peoples. Generally these societies are resisted under district registrar office astute with registrar of co-op society. Big multi state societies once registration process is completed, they appoint agent for collection of deposit. System in society for deposit collection. All big multi state society like Aadarsh credit co-operative Sahara credit society etc. appoint agents to collect the deposit. All credit society than starts Deposit schemes like member, saving account, compulsory saving ,Fix deposit (FD) recurring deposit (RD), monthly recurring (MR), Daily Deposit (DD), pension schemes etc. After collecting money from depositors they start giving loans with name Housing Loan, Vehicle Loan, Gold Loan, consumer Loan, Agriculture loan etc. and

decide the loan EMI. This societies give high return on deposits schemes and give loan at reasonable rate of interest as they have low running cost and every year declare Dividend for its members RBI and NABARD give heavy fund to all agriculture society to give loan for farmers at very low rate of interest. Employee's society generally starts for welfare of their employees. This is a society registered for the staff of a company or a department of government. Example of employee societies are as under Teachers co-operative credit society.

- State Electric Board Employee co-operative credit society
- Telephone Department Employee co-operative society
- Government Department staff co-operative credit society
- Insurance co. Employees welfare co-operative society
- Bank staff co-operative credit & consumer society
- District & Tehsil panchayat staff co-operative society
- State Transport Department staff co-operative society
- Industries employees co-operative credit & consumer co-operative society
- Military staff co-operative credit society
- Police & SRP employees co-operative society

Importance of Cooperative Societies

a) Voluntary Formation and participation:

A co-operative makes joining very simple and cost free. A cooperative society Voluntary Formation and Participation: A cooperative makes joining very simple and cost-free. A cooperative society is a voluntary society, both to join and to leave.

b) Professional Management:

All cooperatives must be run horribly and competently. Periodic audits must be carried out. A central Registrar is in charge of the regulation.

c) No financial risks:

Cash and direct transactions are the fundamental modes of operation for cooperatives. Other than banking cooperatives, no one else offers credit. This guards them against losses brought on by poor loans. Therefore, it can be claimed that joining a cooperative is an excellent way to minimize financial risk.

d) Objective:

Cooperative societies' main goals are to aid individuals in navigating difficult financial situations and to enlist the aid and support of their local communities. This improves ties within the community.

e) Independent body:

The Indian government recognizes a registered cooperative society as a separate legal person. It has the authority to choose what is best for its constituents.

f) Distribution of Profits:

In the cooperative sector, excess goods or earnings are generated and fairly dispersed among the members by their respective shares.

g) One vote per member:

As we said, cooperatives run on principles of democracy. Every cooperative has a head managing committee, members of which are elected by common members.

h) Mutual benefit:

People with middle- and low-income levels can always benefit from cooperatives. They develop a sense of mutual trust while assisting one other in making greater gains than their typical incomes.

Problems faced by Cooperative Society

1. Lack of Awareness:

Many people in rural areas are still unaware of the benefits of cooperative societies. They do not have the knowledge to utilize them effectively for their economic growth.

2. Political Interference:

Often, cooperative societies become a tool in the hands of politicians. They use these societies to further their political interests rather than focusing on the welfare of the members.

3. Inadequate Capital:

Cooperatives often suffer from a lack of adequate capital. The members of these societies are usually poor and cannot contribute much towards the capital.

4. Poor Management:

Many cooperative societies suffer from poor management. The leaders are often not well-trained in managing the affairs of the society.

5. Inefficient Marketing:

Cooperatives often lack efficient marketing strategies. They are unable to compete with the private sector in terms of marketing their products.

6. Lack of Technological Advancements:

Most cooperatives in India are technologically backward. They lack the resources to adopt modern technology.

1.2 STATEMENT OF THE PROBLEM:

Co-operative credit society play big role in plays in economic development of low class and middle-class people. The importance of co-operative societies in the rural areas is mainly due to the fact that they provide sustainable development to the agriculturists. Co-operative society are facing so many problems such as lack of capital, rigid government rule & regulations, incompetent management, lack of motivation, limited scope for expansion, self- financing charity stability disputes etc. Shri Jaybhavani urban co-op. credit society is financial institution which are established with the objective of providing loam to its members at a reasonable rate of interest. The main objective of this co-op. credit society is to provide financial assistance to its members when they require. Considering the overall saturation of cooperative societies and selected cooperative society researcher has come across to the following investigative questions-

1. what is the capitalization of co-operative society?
2. What is the capital structure of co-operative society?
3. What is the capital structure rations of co-operative society?
4. What are the problems being faced by the co-operative societies?

To answer this investigative questions researcher has taken a study on capitalization and capital study of Shri Jaybhavani credit co-operative society.

1.3OBJECTIVES OF THE STUDY:

1. To study the capitalization of selected co-operative society.
2. To study the capital structure of selected co-operative society.
3. To calculate capital structure ratios.
4. To study the profitability of the selected co-operative society.

1.4 SCOPE OF THE STUDY:

a) Topical Scope -

The topical Scope of present study is "Study of capitalization and capital structure of Shri Jaybhavani Urbasn credit co-operative society Ltd; Peth Vadgaon"

b) Analytical scope –

For the analysis of data research will use percentage, growth and process with help of Ms Excel and word.

c) Geographical scope –

The present research is on the Shri Jaybhavani co-operative credit cooperative society ltd; Peth Vadgoan"

d) Periodical scope – The present study has considered five year's data for the present study.

1.5 SIGNIFICANCE OF THE STUDY:

The importance of co-operative societies in the rural areas is mainly due to the fact that, they provide sustainable development to the agriculturists, this is done through developing infrastructure and support facilities. Farming cooperatives help farmers to pool their small fragmented land holdings. This facilitates improvements on the land. It paves the way for intensive cultivation by using modern technology. The importance of co-operative society is it's create organization among the members for a very specific reason and the members are organized and met regularly voluntarily for their own interest. The member of this society maintain savings fund for their own and needs of other people at where the society can give loan a generating interest. The members of this society gather and working for goal or making product for sale. This study is also useful to all over credit co-operative society to improve their performance.

1.6 LIMITATIONS OF THE STUDY:

1. The present research is limited to 5 years i.e. 2018-19 to 2022-23.
2. The present study is limited to the selected co-operative credit society only.
3. The present study is based on secondary data it has its own limitations.

1.7 Research Methodology

A. Data Collection

The researcher have used primary and secondary sources for collation of data as given below.

B. Primary Data Primary data will be collected through discussion with the officers of the selected Shri Jaybhavani Cooperative Society Ltd. Peth Vadgaon, Kolhapur"

C. Secondary Data The researcher have collected necessary information from the annual report, books, magazines, internet, websites, newspaper and articles etc.

D. Data analysis and interpretation

In the data analysis and interpretation, the researchers have made data analysis with reference to NPA. For data analysis researchers will use word, MS- Excel, frequency and percentage etc.

E. Data Presentation

For the presentation of analysis data researcher have used tables and graphs and below the table and graphs research will interpret the data.

1.8 Chapter Scheme

Chapter 1 Research and Methodology

This chapter includes all industry aspects of the study and picture of Research design of the study i.e. Statement of the problem, objective of the study, scope of the study, limitation of the research etc.

Chapter 2 Review Of Literature and Theoretical Background

This chapter consists of a literature review of earlier studies of capital structure of Shri Jaybhavani Credit Cooperative Society Ltd. Peth Vadgaon to find the research gap.

Chapter 3 Profile of Bank

The chapter consists of the profile of the Shri Jaybhavani Credit Cooperative Society Ltd. Peth Vadgaon, Kolhapur.

Chapter 4 Data Analysis and Interpretation

Chapter includes data collected regarding study, classification of data, presentation of data and interpretation of data with selected statistical tools.

Chapter 5 Findings, Suggestions and Conclusion

This chapter consist the finding based on the data analysis and suggestion based on finding. After that researcher concludes regarding the overall study.

1.9 CONCLUSION:

The term co-operative is derived from the Latin word co-operari means to work. Thus co-operation means working together. Credit co-operative society Act 1904 the first incorporation-taking cognizance of these developments and to provide a legal basis for co-operative societies. The credit co-operative society helps rural people. They provide different facilities and services. Therefore, due to the improvement of the renown of the people. It is indirectly benefiting the government and the country. Credit co-operative society facing so many problems like lack of capital,Rigid government rules and regulations, lack of motivations, Incompetent management, self-financing and charity stability etc. this chapter consists statement of the problem, objectives of the study, scope of study, significance of study, limitations of study research methodology and chapter scheme.

1.10 REFERENCES:

1) Research Methodology methods &
technique by C.R. Kothari
2) http://www.co-op-society.com
3) https://www.gktoday.in
4) https://m.jagranjosh.com
5) https://enterslice.com

CHAPTER II

REVIEW OF LITERATURE AND THEROTICAL BACKGROUND

CHAPTER II

REVIEWS OF LITERATURE AND THEROTICAL BACKGROUND

2.1 INTRODUCTION: -

A literature review is a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. Literature review are secondary source, and do not report new or original experimental work. Most often associated with academic-oriented literature, such reviews are found in academic journals, and are not to be confused with book reviews that may also appear in the same publication. Literature reviews are a basis for research in nearly every academic field.

In this chapter different reviews are taken from articles, research papers, journals, websites

and Books etc.

2.2 REVIEW OF LITERATURE

Gupta Amitabh and Banga Charu (2010): bring out the determinants of corporate capital structure using factor analysis and the multiple regressions. Results of factor analysis indicate that leverage, liquidity & Profitability. Growth and ownership structure are the major factors. According to the regression analysis on these factors shows leverage and liquidity to be the determinants of the capital structure for Indian companies.

Kapoor sujata, kanwal Anil (2008): attempt to identify the various factors that influence the capital structure decision of IT firms in India. The multiple regression analysis is used for the analysis of pooled data for seven years i.e. 2000 to 2006. The study suggests that debt equity ratio pay-out ratio is positively related to profits, cash flow and it has inverse relationship with the sales growth and market to book value ratio.

Shrabanti pal (Aug 2014): In this research article named "A study on capital structure determinants of Indian steel companies", she studied that 37 Indian steel companies were considered as sample to analyse the determinants of capital structure by applying regression analysis. For this purpose independent variables were considered to measure the effect on the leverage [dependent variable] position of the company. With the help of regression analysis it is found that tangibility, on-debt tax shield and growth opportunity have position relation with leverage. In contrast, size shares, significant negative relation with leverage. Profitability and business risk also have negative relation with leverage. Thus, she can say that tangibility, non-debt tax shield and size of the firm are the determinants of the capital structure.

Goldberg (2005) As per the study of cooperative society it studies different prospects and literature has confirmed that microfinance programmes can increase incomes and lift the families out of poverty. Access to microfinance can improve children's nutrition and increase their school enrolment rates among other outcomes.

K.S. Rao (2007) This study suggests that the important of the credit policies and financial innovations implemented from time to time with reference to priority sectors is reflected I the ten years household surveys on debt and investment conducted by the national sample survey organisation and also periodical surveys on small borrow accounts conducted by RBI for cooperative societies.

B.C. Bhattacharya and S. Sen (2007) This overview study if the rural credit Iin 20th century in Indian cooperative societies finds a remarkable continuity in the problems faced by the poor throughout the period. It also shows the how capital structure study of society help them to manage their dept ratio.

Suresh Chandra Bihari and Shovita Mahapatra (2016 In their study found that the member of cooperative society gives highest importance to reliability dimension, second to the responsiveness and third to assurance dimension. Their study revealed that the attributes such as services interest rates are most important key factors for the achieving the high satisfaction of the cooperative societies members of agricultural also and other field members.

A. Kavitha and M. Muthumeenaksh (2016) The study of this research indicates positive opinion towards the service provided by the cooperative society and also the behaviour of employees of taking benefits of these societies. The cooperative society will adopt more and modern technologies foe facing competition and make their services more qualitative one. And study understanding the members satisfaction from the services provided by cooperative societies.

Ramkrishna Mishra (2015) What kind of services given by the cooperative societies for their members as per their expectation, services given by cooperative society is more intangible and inseparable. These services given by society is depends on tangible, reliability, responsiveness, assurance and empathy. There is need to relook on the dimensions of services quality to meet the expectation of members.

Bharati R. Hiremath and Mamata Bannur(2014) The study investigation the financial performance of Shri Jaybhavani Credit Cooperative society Ltd. Peth Vadgaon, Kolhapur. The study is also based on secondary data. The study revealed that there was significant growth in the deposits, membership loans and capital, owned funds, reserves of the cooperative society. All these improve the capital structure of the cooperative society.

M. **Rajeswari (2014)** The research study conclude that cooperative societies needs to manage the credit risk internet in the entire portfolio and the risk of the individual credit risk and other risks. The effective management of credit risk is difficult component for the cooperative society. Risk management and essential are the term success of any cooperative society.

2.3 RESEARCH GAP:

According to above review of literature the many researchers has done research on overview of Impact of capital structure on firms performance of stock exchange, Capital structure and profitability Indian evidences, Firm size and capital structure decisions of Turkish lodging companies, Determinants of corporate capital structure using factor analysis and the multiple regressions, Identify the various factors that influence the capital structure decision of IT firms, A study on capital structure determinants of steel companies, etc. but no one has done research on capital structure and financial performance of co-operative credit society. Hence in this project present researcher has done research on Analytical study of capital structure and financial performance of Shri Jaybhavani Credit Co-operative Credit Society, Peth Vadgaon, Kolhapur.

2.4 Theoretical Background

Meaning

According to " The Cooperative Societies Act 1912" – Cooperative organisation is " a society which has its objective for the promotion of economic interests of its members in accordance with cooperative principles. The cooperative society is a voluntary association of persons, who join together with the motive of the welfare of the members. They are driven by the need to protect their economic interests in the face of possible exploitation at the hands of middlemen obsessed with the desire to earn greater profits. The cooperative society is compulsorily required to be registered under the Cooperative Societies Act 1912.

To help people with limited income to construct houses at reasonable costs, these societies are established. Their aim is to solve the housing problems of the members. A member of this society aims to produce the residential house are lower cost. They construct flats or provide plots to members on which the members themselves can construct the houses as per their choice.

2.5 MEANING OF CAPITAL STRUCTURE-

1) **P. Chandra-** ''capital structure is essentially concerned with how the firm decides to divide its cash flows into two broad components, a fixed component that is earmarked to meet the obligations toward debt capital and a residual component that belongs to equity shareholders."

2) **John J. Hampton-** "capital structure is the combination of debt and equity securities that comprise a firm's financing of its assets.

3) **Gerestenberg-** "Capital structure of a company refers to the composition or make up of its capitalization and it include all long - term capital resources viz., loans, reserves,

shares and bonds."

Capital structure is the mix of the long-term sources of funds used by a firm. It is made up of debt and equity securities and refers to permanent financing of a firm. It is composed of long-term debt, preference shares capital and shareholders' funds. Hence, capital structure implies the composition of funds raised from various sources broadly classified as debt and equity.

Meaning of Capitalization: "Capitalization is an accounting method in which a cost is included in the value od an asset and expensed over the useful life of that asset, rather than being expensed in the period the cost was originally incurred. In addition to this usage, market capitalization refers to the number of outstanding shares multiplied by the share price, which is measure of the total market value of a company."

2.7 ELEMENTS OF CAPITAL STRUCTURE

2.7.1 Equity Shares- Equity share also known as ordinary shares, which means, other than preference shares. Equity shareholders are the real owners of the company. They have a control over the management of the company. Equity shareholders are eligible to get dividend if the company earn profit. Equity share capital cannot be redeemed during the lifetime of the company. The liability of the equity shareholders is the value of unpaid value of shares.

a) Characteristics of Equity Shares-

1. Maturity of the shares- Equity shares have permanent nature of capital, which has no maturity period. It cannot be redeemed during the lifetime of the company.

2. Residual claim on Income- Equity shareholder have the right to get income left after paying fixed rate of dividend to preference shareholder. The earing or the income available to the shareholders is equal to the profit after tax minus preference dividend.

3. Residual claims on assets- If the company wound up, the ordinary or equity shareholder have the right to get the claims on assets. These rights are only available to the equity shareholders.

4. Right to control- Equity shareholder are the real owners of the company. Hence, they have power to control the management of the company and they have power to take any decision regarding the business operation.

5. Voting Rights- Equity shareholders have voting right in the meeting of the company with the help of voting right power, they can change or remove any decision of the business concern. Equity shareholders only have voting rights in the company meeting and also, they can nominate proxy to participate and vote in the meeting instead of the shareholders.

b) Merit of Equity Share-

1. Permanent sources of finance- Equity share capital is belonging to long-term permanent nature of sources of finance; hence, it can be used for long-term or fixed capital requirement of the business concern.

2. Voting rights- Equity shareholder are the real owners of the company who have voting rights. The type of advantage is available only to the equity shareholders.

3. **No fixed dividend-** Equity share do not create any obligation to pay a fixed rate of dividend. If the company earns profit, equity shareholders are eligible for profit, they are eligible to get dividend otherwise, and they cannot claim any dividend from the company.

4. **Less cost of capital-** Cost of capital is the major factor, which affects the value of the company. If the company wants to increase the value of the company. They must use more share capital because, it consists of less cost of capital while compared to other sources of finance.

5. **Retained earnings-** When the company have more share capital, it will be suitable for retained earnings which are the less cost sources of finance while compared to other sources of finance.

c) **Demerit of Equity Shares-**

1. **Irredeemable-** Equity shares cannot be redeemed during the lifetime of the business concern. It is the most dangerous thing of over capitalization.

2. **Obstacles in management** – Equity shareholder can put obstacles in management by Manipulation and organizing themselves. Because, they have power to contrast any decision is against the wealth of the shareholders.

3. **Leads to speculation-** Equity shares dealings in share market led to secularism during the prosperous periods.

4. **Limited Income to Investor-** The investors who desire to invest in safe securities with a fixed income has no attraction for equity shares.

5. **No trading on equity-** When the company raises capital only with the help of equity,

the company cannot take the advantage of trading on equity.

2.7.2 Preference Share -The is the share, which have preferential right to get dividend and get back the initial investment at the time of winding up of the company. Preference shareholders are eligible to get fixed rate of dividend and they do not have

voting rights.

a) Types of Preferences shares-

1. **Cumulative preference shares-** It have right to claim dividends for those years which have no profits. If the company is unable to earn profit in any one or more years, C.P. shares are unable to get any dividend, but they have right to get the comparative dividend for the previous years if the company earned profit.

2. **Non-Cumulative preference shares-** These shares have no right to enjoy the above benefits. They are eligible to get only dividend if the company earns profit during the years. Otherwise, they cannot claim any dividend.

3. **Redeemable preference shares-** When, the preference shares have a fixed maturity period it becomes redeemable preferences shares. It can be redeemable during the lifetime of the company. The company Act has provided certain restrictions on the return of the redeemable preferences shares.

4. **Irredeemable preference shares-** Irredeemable preference shares can be redeemed only when the company goes for liquidator. There is no fixed maturity period for such kind of preference shares.

5. **Participating preference shares-** It have right to participate extra profits after distributing the equity shareholders.

6. **Non-Participating preference shares-** It shares are not having any right to participate extra profits after distributing to the equity shareholders. Fixed rate of dividend is payable to the type of shareholders.

7. **Convertible preference shares-** It shares have right to convert their holding into equity shares after a specific period. The articles of association must authorize the right of conversion.

8. **Non-Convertible preference shares-** There shares, cannot be converted into equity shares from preference shares.

b) Characteristics of preference shares-

1. **Maturity period-** Normally preference shares have no fixed maturity period except in the case of redeemable preference shares. Preference shares can be redeemable only at the time of the company liquidation.

2. **Residual claims on Income-** Preference shareholders have a residual claim on income. Fixed rate of dividend is payable to the preference shareholders.

3. **Residual claims on assets-** The first preference is given to the preference shareholders at the time of liquidation. It any extra assets are available that should be distributed to equity shareholders.

4. **Control of management-** Preference shareholder does not have any voting rights. Hence, they cannot have control over the management of the company.

c) Merits of **Preferences Shares-**

1. Fixed **dividend-** The dividend rate is fixed in the case of preference shares. It is called as fixed income security because it provides a constant rate of income to the investors.

2. **Cumulative dividend-** Preference share have another advantage which is called cumulative dividends. If the company does not earn any profit in any precious years, it can be cumulative with future period dividend.

3. **Redemption** – Preference shares can be redeemable after a specific period except in the case of irredeemable preference shares. There is a fixed maturity period for repayment of the initial investment.

4. **Participation-** Participative preferences shareholder can participate in the surplus profit after distribution to the equity shareholders.

5. **Convertibility-** Convertibility preference shares can be converted into equity shares when the articles of association provide such conversion.

D) Demerits of Preference shares-

1. **Expensive sources of finance-** Preference shares have expensive source of finance while compared to equity shares.

2. **No voting rights-** Generally preference shareholder does not have any voting right. Hence, they cannot have the control over the management of the company.

3. **Fixed Dividend Only-** Preference shares can get only fixed rate of dividend. They may not enjoy more profits of the company.

4. Permanent Burden- Cumulative preference shares become a permanent burden so far as the payment of dividend is concerned. The company must pay the dividend for the unprofitable periods also.

5. Taxation- In the taxation point of view, preference shares dividend is not a deductible expense while calculation tax, but interest is a deductible expense. Hence, it has disadvantage on the tax deduction point of view.

2.7.3 Debentures – A debenture is a document issued by the company. It is a certificate issued by the company under its seal acknowledging a debt. A debenture is a long -term

promissory note for raising long capital. The firm promises are pay interest and principal as stipulated period. The purchaser of debenture is called debenture holder. According to the companies Act 2956, ''debenture includes debenture stock, bonds and any other securities of a

company or not." It is certificate issued by a company under its seal acknowledging a debt due

by it to its holders.

a) Types of Debentures-

1. Unsecured debenture- Unsecured debenture are not given any security on assets of the company. It is also called simple or naked debentures. This type of debenture is treated as unsecured creditors at the time of winding up of the company.

2. Secured debenture- Secured debenture are given security on assets of the company. It is also called as mortgaged debentures because these debentures because these debentures are given against any mortgage of the assets of the company.

3. Redeemable debentures- These debentures are to be redeemed on the expiry of a certain period. The interest is paid periodically, and the initial investment is returned after the fixed maturity period.

4. Irredeemable debentures- These kings of debentures cannot be redeemable during the lifetime of the business concern.

5. Convertible debenture- Convertible debenture are the debentures whose holders have the option to get them converted wholly or partly into shares. These debentures are usually converted into equity shares.

b) Characteristics of Debenture-

1. Maturity Period- Debenture consist of long-term fixed maturity period. Normally, debenture consist of 10-20 years maturity period and are repayable with the principal investment at the end of the maturity period.

2. Residual claims in Income- Debenture holders are eligible to get fixed rate of interest at every end of accounting period. Debenture holders have priority of claim in income of the company over equity preference shareholders.

3. Residual claim on asset- Debenture holders have priority of claim on assets of the company over equity and preference shareholders. The debenture holders may have either specific change on the assets or floating change of the assets of the company.

Specific change of debenture holders is treated as secured creditors and floating change of debenture holders are treated as unsecured creditors.

4. No voting rights- Debenture holders are considered as creditors of the company. Hence, they have no voting rights. Debenture holders cannot have the control over the performance of the business concern.

5. Fixed rate of Interest- Debenture yield fixed rate of interest till the maturity period. Hence the business will not affect the yield of the debenture.

c) Merits of Debenture-

1. Long-term sources- Debenture is one of the long-term sources of finance to the company. Normally the maturity period is longer than the other sources of finance.

2. Fixed rate of Interest- Fixed rate of interest is payable to debenture holders, hence it is most suitable of the companies earn higher profit. Generally, the rate of interest is lower than the other sources of long-term finance.

3. Trade on equity- A company can trade on equity by mixing debenture in its capital structure and thereby increase its earning per share. When the company applies the trade on equity concept, cost of capital will reduce, and value of the company will increase.

4. Income tax deduction- Interest payable to debenture can be deducted from the total profit of the company. So, it helps to reduce the tax burden of the company.

5. Protection- Various provision of the debenture trust deed and the guidelines issued by the SEBI protect the interest of debenture holders.

d) Demerits of Debentures-

1. Fixed rate of Interest- Debenture consists of fixed rate of interest payable to securities. Even through the company is unable to earn profit, they have to pay the fixed rate of interest to debenture holders, hence it is not suitable to those company earnings which fluctuate considerably.

2. No voting right- Debenture holders do not have any voting rights. Hence, they cannot have the control over the management of the company.

3. Creditors of the company- Debenture holders are merely creditors and not the owners of the company. They do not have any claim in the surplus profits of the company.

4. High risk- Every additional issue of debenture becomes more risky and costly on account of higher expectation of debenture holders. This enhanced financial risk increases the cost of equity capital and the cost of raising finance through debentures which is also high because of high stamp duty.

5. Restrictions of further issues- The company cannot raise further finance through debenture as the debenture are under the part of security of the assets already mortgaged to debenture holders.

2.7.3 Term Loans-

A term loan from a bank for a specific amount that has a specified repayment schedule and a fixed interest rate. For example, many banks have term loan programs that can offer small businesses the cash they need to operate from month to month. Often, a small business uses the cash from a term loan to purchase fixed assets such as equipment for its production process. A term loan is appropriate for an established small business with sound financial statement and a substantial down payment to minimize payment amounts and total loan cost.

Term loan is a medium-term source financed primarily by bank and financial institutions. Such a type of loan is generally used for financing of expansion, diversification, and modernization of projects so this type of financing is also known as project financing. Term loans are repayable in periodic installments.

a) Features of term loans-

1. Security- Term loans are secured loans. Assets which are financed through term loans serve as primary security and the other assets of the company serve as collateral security.

2. Obligation- Interest payment and repayment of principal on term loans is obligatory on the part of the borrower. Whether her firm is earning a profit or not, term loan are generally repayable over a period of 5 to 10 years in installment.

3. Interest- Term loans carry a fixed rate of interest, but this rate is negotiated between the borrowers and lenders at the time of dispersing of loan.

4. Maturity- As it is a source of medium-term financing, its maturity period lies between 5 to 10 years and repayment is made in installments.

5. Restrictive covenants- Besides asset security, the lender of the term loans imposes other restrictive covenants to themselves. Lenders ask the borrowers to maintain a minimum asset base, not to raise additional loans or to repay existing loans, etc.

b) Merit of term loans-

Term loan are one of the important sources of project financing. The merits of term loans are as follows.

A) From point of view of the borrower-

1. Cheap- It is a cheaper source of medium-term financing.

2. Tax Benefit- Interest payable on term loan is a tax-deductible expenditure and thus taxation benefit is available on interest.

3. **Flexible-** Term loans are negotiable loans between the borrower and lenders. So term and conditions of such type of loans are not rigid and this provides some sorts of flexibility.

4. **Control-** Since term loans represent debt financing, the interest of the equity shareholders is not diluted.

B) Form point of view of the lender-

1. **Secured-** Term loans are provided by banks and others financial institutions against security, so term loans are secured.

2. **Regular Income-** It is obligatory on the part of the borrower to pay the interest and repayment of principal irrespective of its financial position; hence the lender has regular and steady income.

3. **Conversion-** Financial institutions may insist the borrower to convert the term loans into equity. Therefore, they can get the right to control the affairs of the company

c) Demerits of Term loans-

A) Form point of view of the borrower-

1. **Obligation-** Yearly interest payment and repayment of principal is obligatory on the part of borrower. Failure to meet these payment raises a question on the liquidity position of the borrower and its existence will be at stake.

2. **Risk-** Like any other form of debt financing term loan also increase the financial risk of the company. Debt financing is beneficial only if the internal rate of return of the concern is greater than its cost of capital, otherwise it adversely affects the benefit of

shareholder.

3. **Interference-** In addition to collateral security, restrictive covenants are also imposed by the lenders which lead to unnecessary interference in the functioning of the concern.

B) Form point of view of the lenders-

1. **Negotiability-** Term and conditions of term loans are negotiable between borrower and lenders and thus it sometimes can affect the interest of lenders.

2. Control- Like other sources of debt financing, the lenders of term loans do not have any right to control the affairs of the company.

2.7.4 Retained Earnings-

The retained earnings of corporation is the accumulated net income of the corporation that is retained by the corporation at a particular point of time, such as at end of the reporting period. At the end of the period, the net income at the point is transferred from the profit and loss account to the retained earnings account. If the balance of the retained earning account is negative it may be called accumulated losses, retained losses, or accumulated deficit, or similar

terminology.

Any part of a credit balance in the account can be capitalized, by the issue of bonus shares, and the balance is available for distribution of dividends to shareholder, and the residuer carried forward into next period. Dividends can only be paid out of the positive balance of the retained earnings account at the time that payment is to be made. Definition- "Retain earnings is the amount of net income left over for the business after it has paid out dividends to its shareholder. A business generates earnings that can be positive (profits) or negative (losses)."

Meaning- Like an individual, companies too, set an aside a part of their profit to meet future requirements. The portion of profit not distributed among the shareholders but retained and used in business is called retained earnings. It is also referred to as plugging back of profit. This is one of the important sources of internal financing used for fixed as well as working capital. Retained earnings increase the value of shareholders in case of a growing firm.

a) Features of retained earnings-

1. Cost of financing- It is the general belief that retained earnings have not cost to the company.

2. Floatation cost- Unlike other sources of financing, the use of retained earnings helps avoid issue related costs.

3. Control- Use of retained earnings avoids the possibility of change/dilution of the control of existing shareholders that results from issue of new issues.

4. Legal formalities- Use of retained earnings does not require compliance of any legal formalities. It just requires a resolution to be passed in the annual general meeting of the company.

2.8 IMPORTANCE OF CAPITAL STRUCTURE-

Increase in value of the firm- A sound capital structure of a company helps to increase the market price of shares and securities which, in turn, lead to increase in the value of the firm.

1) Utilization of available funds-

A good capital structure enables a business enterprise to utilize the available funds. Requirement of the firm and raise the funds in such proportions from various sources for their best possible utilization. A sound capital structure protects the business enterprise from over capitalization and under capitalization.

2) Maximization of return-

A sound capital structure enables management to increase the profits of a company in the form of higher return to the equity shareholder i.e., increase in earnings per share. This can be done by the mechanism of system.

3) Minimization of cost of capital-

A sound capital structure of any business enterprise maximizes shareholders wealth through minimization of the overall cost of capital. This can also be done by incorporating long-term debt capital in the capital structure as the cost of debt capital is lower than the cost of equity or preference share capital since the interest on debt is tax deductible.

4) Solvency or liquidity position-

A sound capital structure never allows a business enterprise to go for too much raising of debt capital because, at the solvency is disturbed for compulsory payment of interest to the debt-supplier.

5) Flexibility-

A sound capital structure provides a room for expansion or reduction of debt capital so that, according to changing conditions, adjustment of capital can be made.

6) Undisturbed controlling-

A good capital structure does not allow the equity shareholders control on business to be diluted.

2.9 FACTORS DETERMINING CAPITAL STRUCTURE

1) **Risk of cash insolvency-** Risk of cash insolvency arises due to failure to pay fixed interest liabilities. Generally, the higher proportion of debt in capital structure compels the company to pay higher rate of interest on debt irrespective of the fact that the fund is available or not. The non-payment of interest charges and principal amount in time call for liquidation of the company.

2) **Risk in variation of earning-** The higher the debt content in the capital structure of a company, the higher will be the risk of variation in the expected earnings available to equity shareholders. If return on investment on total capital employed exceeds the interest rate, the shareholders get a higher return.

3) **Cost of capital-** Cost of capital means cost of raising the capital from different sources of funds. It is the price paid for using the capital. A business enterprise should generate enough revenue to meet its cost of capital and finance its future growth. The finance manager should consider the cost of each source of fund while designing the capital structure of a company.

4) **Control-** The consideration of retaining control of the business is an important factor in capital structure decisions. If the existing equity shareholder capital to equity capital, as former has no voting rights.

5) **Trading on equity-** The use of fixed interest securities along with owner's equity as sources of finance is known as trading on equity. It is an arrangement by which the company aims at increasing the return on equity shares by the use of fixed interest securities.

6) **Government policies-** Capital structure is influenced by Government policies, rules and regulations of SEBI and lending policies of financial institutions which change the financial pattern of the company totally. Monetary and fiscal policies of the Government will also affect the capital structure decisions.

7) **Size of the company-** Availability of funds is greatly influenced by the size of company. A small company finds it difficult to raise debt capital. The terms of that they pay less interest because investors consider large companies less risky.

8) **Needs of the investors-** While deciding capital structure the financial conditions and psychology of different type of investors will have to be kept in mind. For example, a poor or

middleclass investor may only be able to invest in equity or preference shares which are usually of small denominations.

9) **Flexibility**- The capital structure of a company should be such that it can raise funds as and when required. Flexibility provides room for expansion, both in terms of lower impact on cost and with no significance rise in risk profile.

10) **Period of finance**- The period for which finance is needed also influences the capital structure. When funds are needed for long-term, it should be raised by issuing debenture or preference shares.

11) **Legal requirements**- The finance manager should comply with the legal provisions while designing the capital structure of a company.

12) **Cash Inflows**- The selection of capital structure is also affected by the capacity of the business to generate cash inflows. It analyses solvency position and the ability of the company to meet its charges.

2.10 RATIO ANALISIS OF CAPITAL STRUCTURE

The ratio analysis is one of the most powerful tools of financial analysis it's the process of establishing and interpreting various rations. It is with the help to ratios that the financial statements can be analyzed more clearly, and decisions made from such analysis. It may be expressed in any of the three ways times' proportion or percentage according to the convenience or suitability.

Meaning of Ratio- A ratio is a simple arithmetical expression of the relationship of one member to another. It may be defined as the indicated quotient of two mathematical expressions. A ratio is an expression of the quantitative relationship between two members. One number expressed in terms of another.

2.11 CAPITAL STRUCTURE RATIO-

1. Equity Ratio:

The equity ratio refers to financial ratio indicative of the relative proportion of equity applied to finance the assets of a company. This equity ratio is a variant of the debt-to-equity ratio and is also sometimes, referred as net worth to total assets ratio. The equity ratio communicates the shareholder's funds to total assets in addition to indicating the long-term or prospective solvency position of the business.

2. Long Term Debt to Capitalization:

This is the first most important ratio of capital of capitalization. We are looking at all hree to understand the proportion of debt from all angles. This ratio tells us about the proportion of long-term debt compared to capitalization. Capitalization means the sum of long -term debt and Shareholder's equity.

3. Total debt to capitalization ratio:

The only differences between the previous capitalization ratio and this one is the inclusion of short-term debts this ratio, we will look at total debt and find out the proportion of total debt compared to capitalization. Total debt means both long term debt and short-term debt. And capitalization means as usual the debt plus equity. But in this case the capitalization would also include shot term debt (that means

capitalization= long term debt + short term debt + shareholders equity)

4. Debt to equity ratio:

The debenture 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 measure of a company's ability to repay its obligations. Thus, companies with high debt-to-equity ratios may not be able to attract additional lending capital.

5. Interest coverage ratio:

EBIT means earnings before interest and taxes. If we look at the income statement of a company, we would be able to look at EBIT right away. This measure is used to see whether the company has enough earning to pay off its interest or not. Along with looking at debt ratios, the investors has enough to pay off is interest. converge ratio to find out whether the company

2.12 CONCLUSION

This chapter includes introduction of review of literature, reviews of literature taken from different journals, articles , research papers, websites and books etc. The researcher has found research gap between the study of capital structure and performance of co-operative credit society. Capital structure means the arrangement of capital from different sources so that the long term funds needed for the business are raised. There are various elements of capital structure like Equity Shares, preference shares, Debentures, Term Loans, Retained Earning etc. Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. Generally Balance sheet, Income statement, Cash flow statement shows the performance of the society.

2.13 REFERENCE

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CHAPTER III

PROFILE OF CO-OPERATIVE SOCIETY

CHAPTER III

PROFILE OF CO-OPERATIVE SOCIETY

3.1 Introduction of Society

3.2 Objective of society

3.3 Features And Facilities Of Society

3.4 Featurs of Society

3.5 Services of society

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3.7 Attractive Deposit Interest Rate

3.8 Boards of Directors

3.9 Organisation Structure

3.10 Subsidiaries Of Co-operative society

3.11 Membership

3.12 Growth of society

3.13 Conclusion

3.14 Reference

CHAPTER III

PROFILE OF CO-OPERATIVE SOCIETY

3.1 INTRODUCTION:

This chapter we deal with the structure, when was the establishment of the organization, How it happened, how many members were, Objectives/goals of establishment of society, working, administrative function and current position of Shri Jaybhavani Urban Cooperative Credit Society, features of society, services provided by society etc.

3.2 INTRODUCTION OF CAUNDESVERI CO-OPERATIVE CREDIT SOCIETY

Shri Jaybhavani Urban Cooperative Credit Society limited was established 48years ago on 31st March,1976. Turned on of under the leadership of Vijaysingh Yadhav . Shri Jaybhavani urban c o-operative credit society is financial institution which are established with the objective of providing loans to its members at a reasonable rate of interest. The main objective of this Co-operative credit society is to provide financial assistance to its members when they require. This Co- operative credit society has big role to play in economical development of lower class and middle -class people. The organization gives priority to regular recovery while distributing loans to the members for various problems and industries- business, employment, income.

Short-term and long-term loans are provided to the members of reasonable interest rates the Kanyaaratna deposit scheme is getting immediate response and in case of Kanyaaratana of a member or their children under the save the mission, a deposit of rupees 1000 is kept in her name by the organization. Investors are benefiting from the attractive interest rates and various term deposit schemes going on. The organization has started a electricity bill payment centre of Maharashtra State. Electricity Distribution Company for customers and citizens in its office and it is being used by numerous people in the area. Account holder- SMS facility is also available for members to get instant transaction information on their mobile. Shri Jaybhavani Urban Co-operative credit society has become one of the leading economies in Peth Vadgaon, maintain its traditional highlights while providing such Innovation and varied computing services and Bank of India's ATM centre is also in Operation in Society building: Therefore customers have the special facility to withdraw

Money from any bank account in the country. The Shri Jaybhavani Credit Co-operative credit society was established in Peth Vadgaon rural area with the objective of financing farmers, farm labours, small entrepreneurs, small traders. The customer has started doorstep core banking services through their pigmy agent, which provides for collection of savings and other deposit from home. Mobile services also available with the changing times the computing system is in place to stay ahead of the changing banking in the country. It benefits everyone. The Shri Jaybhavani Urbsan Co-operative Credit society has launched a core facility with core banking technology in its office, which is growing in numbers. Account holders-SMS facility is also available for members to get instant tracking information on their mobile phones. Shri Jaybhavani Urban Co-operative credit Society is one of the Leading economics in Kolhapur maintain its traditional Highlights while providing such a wide variety of computing services.

3.3 OBJECTIVES OF SOCIETY:

1. The Shri Jaybhavani credit co-operative society was establishing with the Objective of financing farmers, farm labourers, small entrepreneurs and small Traders in the rural areas of Kolhapur.

2. To provide support and services to the members of the society and not to earn the Profit.

3. The Generic people need financial help for the minor problem. Sometimes nationalized bank cannot meet these requirement so these society provide financial assistance to people.

4. Shri Jaybahvani Urban co-operative credit society it was established to lend a helping has to the common man.

5. To help each other mutually and not to have competition.

3.4 FEATURES OF SOCIETY:

1. Successful transfer of ownership of the Institution to the massive building and up to-date office capital and deposit.

2. Government audit class 'A'.

3. Total computerized services.

4. Core banking software.

5. SMS facility

6. Printed passbook facility

7. Mobile DTI I recharge facility.

8. Solar water heater Loan facility available for society members at 0% interest.

9. Pigmy collection facility through mobile

10. Member of the federation of district and state credit Institutions

11. In the Kanyaaratna deposit scheme, the institution has a deposit of 1000 on the same of the daughter of the members.

12. Assistant to flood victims

13. Society also provide facility of electricity bill payment.

3.5 SERVICES OF SOCIETY

- **Abhinav door step core banking service**

The customer has started door step core banking services through their pigmy Agent, which provides for collection of savings – recurring and other deposit from home. Mobile recharge of any place and all companies in the country and DTH recharge for TV is also available with the changing banking in the country. It benefits everyone.

- **Kanyaaratna deposit scheme**

The Kanyaaratna deposit scheme is getting immediate response and in case of Kanyaaratna of a ember or their children under the save the mission, a deposit of rupees 1000 is kept in her name by the organisation. Investors are benefiting from the attractive interest rates and various term deposit schemes going on.

- **Locker Facility**

The society provides lockers facility for their customers. Electricity bill payment facility. The organisation has started a electricity bill payment centre of Maharashtra state electricity Distribution company for customers and citizens in its office and it is being used by numerous people in the area.

3.6 Profile of Bank

Name of co-operative society	Shri Jaybhavani Urban Co-operative Society Ltd; Peth Vadgaon
Registered office address	Peth Vadgaon, Hatkangle, Kolhapur, Maharashtra 416203
Registeratioon Number	K.P.R/R.S/R/223/76
Establishment	31/05/1976
Email	jaybhavanipatho@gmail.com
Chairman	Mr. Vilas sangar
Vice Chairman	Mr. Shelarji Suryavanshi
Area of Operation	Kolhapur District

3.7 Attractive Deposit Interest Rate

Term	2019	2020	2021	2022	2023
46 days	6%	6%	6%	6%	6%
91 days	7%	7%	7%	7%	7%
182 days	8%	7.5%	7.5%	7.5%	8%
1 year to 2 year	8%	8.5%	8%	8%	8.5%
3 year and above	10.5%	9%	8.5%	8.5%	9%

3.8 Board of Director

Designation	Name
Chairman	Mr. Vilas Sangar
Vice Chairman	Mr. shelarji uryanvanshi
Director	Haji Alansir Momin
Director	Mrs. Vijayadevi Yadav
Director	Mr. Prakash Aamne
Director	Vishal Vadgaon
Director	Mr. Vasant Shimpanekar
Director	Mr. Sharad Patil
Director	Mrs. Survarnadevi Yadav
Director	Subhash Patil
Director	Mr. Rajendra Devsthali
Director	Mrs. Shashikala Shere

3.9 Organisational Structure

Chairman

^

Vice Chairman

^

Board of Director

^

Manager

^

Servant Class/ Helper

3.10 Subsidiaries of Co-operative Society

Name	Branch
Shri. Jaybahvani Urban cooperative Credit Society Ltd; Vathar	Vathar
Shri. Jaybahvani Urban cooperative Credit society Ltd; kochi	Kochi
Shri. Jaybhavani Urban Coperative Credit Society Ltd; Herle	Herle
Shri.Jaybahvani Urban Coperatiave Society Credit Ltd; Hatkanagle	Hatkanagle
Shri. Jaybhavani Urabn Co-operative Credit Society Ltd; Kotoli	Kotoli

3.11 Membership

As of march 2022, the co-operative society has 9,724 members in society and increased members are 331. As a result at the end of march 2023, the co-operative has 10,055 members and due to death or other reasons members of society was reduced to 75 and added to 960.

At the end of 31/03/2023 society has the 10,940 members.

3.12 Growth of the Society

Table 3.1

ear	2018-19	2019-20	2020-21	2021-22	2022-23
Share capital (In Rs.)	1,32,32,015	1,41,27,190	1,63,01,340	1,86,71,370	2,14,78.380
Reserve Fund (In Rs.)	1,25,91,284	1,35,62,667	1,46,34,487	1,58,41,550	1,76,39,626
Other funds (In Rs.)	4,39,19,986	4,50,79,760	4,58,51,362	4,87,67,745	5,28,24,699
Deposit (In. Rs.)	1,07,22.67,264	1,19,80,47,728	1,41,21,94,597	1,58,47,31,376	1,98,05,90,102
Investment (In. Rs.)	3,14,02,842	3,08,75,160	4,57,40,648	4,69,14,064	3,10,62,652
Net Profit (In Rs)	33,62,613	38,31,114	43,66,617	48,23,197	55,03,094
Dividend Rate (In. per.)	9%	9%	9%	9%	9%

1.Share capital of Society

The Society share capital, in the first yar 2018-19, the share capital of the organization was 1,32,32,015. In the year capital has increased 895,175 in the year 2019-20. It was increased by 2,17,4,150 in year 2020-21, it was increased by 2,37,0030 and in the year 2021-22 , it was increased by 2,80,7010 in the year 2022-23.So from the above analysis it was observed that share capital of the society increasing year by year form 2018-19 to 2022-23.

2.Reserve Funds of the Society

The reserve fund of the society, in the first year 2018-19, the fund of the society was1,25,91,284, it was increased by 9,71,383 and it becomes 1,35,62,667, in the year 2019-20 , in the year 2020-21 it was increased by 1,069,820 and become 1,46,34,487, in the year 2021-2022 it was increased by 1,19,0118 and become the 1,58,47,31,376, in the year 2022-23 it was increased by 1,79,8076 and it becomes the 1,76,39,626.

3. Other Funds of the Society

The funds of the society. In the first year 2018-19 the fund of the institute was 4,39,19,986 in the year 2019-2020 it was increased by 1,15,9,774 and become 4,50,79,760 in the year 2020-21 it was increased by 77,1, 602 and become 4,58,51,362 in the year 2021-22 it was increased by 2,91,6,383 and become 4,87,67,745 in the year 2022-223 it was increased by 24,05,6954 and the other fund for the year 2022-23 was 5,28,24,699. From the above analysis it was found that funds of the society increasing year by year from 2018-19 to 2022-23.

4. Fixed deposits of the society-

Fixed deposits or the society. In the first year 2018-19, the fixed deposits of the Society are 1,07,22,67,274, in the year 2019-20 it was increased by 25,780,464 and become 19,80,47,728, in the year 2020-21 it was increased by 2,14,14,6869 becomes 1,41,21,94,597 in the year 2021-22 it was increased by 1,17,25,36,779 becomes 1,58,47,31,376 and in the year 2022-23 increased by 3,95,85,8,726 and becomes 1,98,05,90,102 . So from the above analysis it was found that total fixed deposits of the society were increasing year by year from 2018-19 to 2022-23.

5. Investment of the society

Th a Investment of the society. In the first year 2018-19 3,14,02,842, the investment of the society was decreased by 52,7,712 and become 3,08,75,160 in the year 2019-20, In the year 2020-21 it was increased by 14,805,488 and become 4,57,40,648 the year 2021-22 it was increased by 31,173,416 and become 4,69,14,064 in the year 2022-23 investment becomes 3,10,62,652. So form the above analysis it was served that Investment of the society were increased year by year from 2018-19 to 22-23.

6. Net profit of the society-

The Net profit of the society. In the year 2018-19 Net profit of the society was 3,36,2,13 in the year 2019-20 it was increased by 46,8,501and becomes 3,83,11,114 , in the year 2020-21 it was increased by 53,5503 and becomes 43,66,617 in the year 2021-222 it was increased by 45,6580 and becomes 48,23,197 and in the year 2022-23 it was increased by 67,9897 and becomes 55,03,094. Form the above table it was observed that Net profit of the society increasing year by year born 2018-19 to 2022-23.

7. Dividend rate of the society-

The dividend rate of the organization. In the first year, 2018-19 the dividend rate for the society's shareholders is 9%. Till at the end of the year 2022-23 the dividend rate of the society remain unchanged.

3.13 CONCLUSION-

Shri Jaybhavani Urban Co-operative Credit Society Limited was established 48 years ago on 31 March, 1976 under the leadership of Mr. Vijaysingh Yadav. The main objectives of the society is to provide support and services to the members of the society, and not to earn the profit and to lend a helping hand to the common man. The Saving, total Fund, deposit net Profit of the company increasing year by year. Now society has declared 9%dividend. The society has provide various services as Electricity bill payment centre, Abhinav door step core banking services, pigmy collection facility, kanyaaratna deposit scheme and other facility.

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CHAPTER IV
DATA ANALYSIS AND INTERPRETATION

Chapter IV

Data Analysis And Interpretation

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

4.1 INTORDUCTION:

Ratio analysis is a one of the techniques to financial performance analysis. The financial performance analysis is very important for every organization in the present competitive World. Financial performance analysis is done by using the technique of ratio analysis. And this is helpful to management for decision making, planning, co-ordinating, Communicating & outsiders. In this chapter capital structure and financial performance of Shri Jay Bhavani Urban Co-operative Credit Society, Shri Jay Bhavani has been done with the help of ratio. In this chapter various Ratios calculated from available information from annual reports of the society and this Ratio is helpful to know the capitalisation and capital structure performance of the society. In this Chapter various ratio is calculated and interpretation of them is made. This interpretation is helpful to give the suggestion to the society. Many of the co-operative societies facing the crises of Capital structure and financial performance. So, it is necessary to know the capital structure and financial performance of the society.

4.2 CAPITAL STRUCTURE OF THE SOCIETY

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Share capital	1,32,32,015	1,41,27,190	1,63,01,340	1,86,71,370	2,14,78,380
Reserve fund	1,25,91,284	1,35,62,667	1,46,34,487	1,58,41,550	1,76,39,626
Other funds	4,39,19,986	4,50,79,760	4,58,51,362	4,87,67,745	5,28,24,699
Deposit	1,07,22,67,264	1,19,80,47,728	1,41,21,94,597	1,58,47,31,376	1,98,05,90,102
Debt	85,43,63,325	96,58,87,086	1,12,31,96,635	1,24,67,80,744	1,53,97,64,062

(**Source:** Annual audit report of society from 2018-19 to 2022-23)

1. Share capital:

In the year 2018-19 the share capital of the society was Rs 1,32,32,015. In the year 2019-20 the share capital was increased by 11,15,23,761, and it becomes 1,41,27,190. In the 2020-21 year. the share capital increased by 15,73,09,549 and it becomes 1,63,01,340, in the 2020-21 it was increased by 12,35,84,109 and it becomes 1,86,71,370 and in the year 2021-22 it was increased by 29,29,83,318 and the total share capital was Rs 2,14,78,380. From this, it was noticed that the societies share capital has increased every year.

2. Reserve funds:

In the year 2018-19 the Reserve funds of the society was Rs 1,25,91,284 in the year 2019-20 it was increased by 9,71,383 and it becomes 1,35,62,667 In the year 2020-21 the reserves funds have increased by 10,71,820 and it becomes 1,46,34,487, in the year2021-22 it was increased by 1,20,7,063 and it became 1,58,41,550. In the year 2022-23 it was increased by 17,98,076and it becomes 1,76,39,626, it was observed that the society's reserves funds have increased year by year.

3. Other Funds:

In the year 2018-19 the other funds amounting to the organization are Rs 4,39,19,986, in the year 20119-20 the other funds has increased by 11,59,774 and it becomes 4,50,79,760, in the year 2020-21 the other funds increased by7,71,602 and it becomes 4,58,51,362, in the year 2021-22 other funds have increased by 29,16,383 and it becomes 4,87,67,745 and in the year 2022-23 it was increased by 40,56,954 and it becomes 5,28,24,699. It was observed that grants of the society increasing year by year

4. Deposits:

In the year 2018-19 the deposits of the institution were 1,07,22,67,264, in the year 2019-20 it was increased by12,67,80,464 and it becomes 1,19,80,47,728. In the year 2020-21 the deposits increased by 21,41,46,809 and it becomes 1,41,21,94,597. In the year 2021-22 it was increased by 17,25,36,779 and it becomes 1,58,47,31,376 and in the year 2022-23 the deposits increased by Rs 39,58,58,726and it becomes 1,98,05,90,102. It was observed that deposit of the society increasing year by year.

5. Debts:

In the year 2018-19 the debt of the society were85,43,63,325, in the year 2019-20 it was increased by 11,15,23,761 and it becomes 96,58,87,086. In the year 2020-21 the debt increased by 15,73,09,549 and it becomes 1,12,31,96,635. In the year 2021-22 it was increased by12,35,84,109 and it becomes 1,24,67,80,744 and in the year 2022-23 the debt increased by Rs29,29,83,318 and it becomes 1,53,97,64,062. It was observed that debt of the society increasing year by year.

4.3 CAPITAL STRUCTURE RATIOS:

1. Equity ratio = Shareholder's funds/ Total assets

Total assets

Table 4.1

Equity Ratio

Year	Shareholder's fund	Total assets	Ratio	Change in ratio
2018-19	6,05,14,614	13,65,17,807	0.322	-
2019-20	5,95,90,064	12,28,45,955	0.485	0.163
2020-21	6,65,19,319	14,64,72,066	0.454	0.031
2021-22	7,22,62,312	18,77,60,630	0.529	0.075
2022-23	7,98,06,173	106,68,10,40	0.748	0.255

(**Source:** Annual audit report of society from 2018-19 to 2022-23)

Graph 4.1

Equity Ratio

The equity ratio shows a proportion between shareholder's funds and total assets. In 2018- 19 the ratio was 0.322, 2019-20, 0.485, 20-21, 0.454, 2021-22, 0.529, and in 2022-23 it was 0.748. From the above analysis we understand that the ratio shows of some variation in the year 2020-21 ratio was decreased by 0.031 and after that it was increased in the year 2020-21 by 0.163and in the year 2021-22 by 0075. In general, higher the ratio favourable for society but when we look at the ratio of the society performance is not good. A higher ratio also shows potential creditors that the company is more sustainable and less risky to lend future loans.

2. Long term Debt to Capitalisation ratio = Long term debt/ Capitalisation

Table 4.2

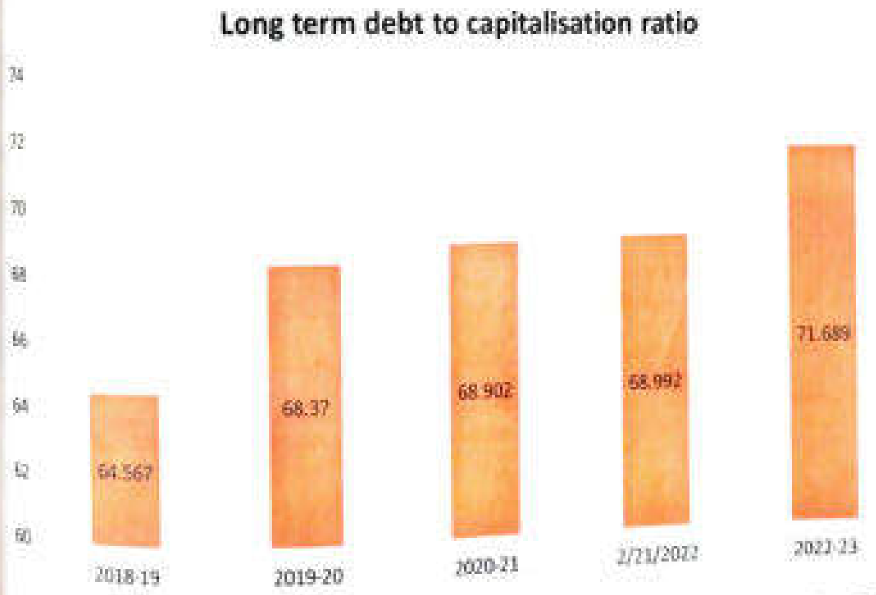
Long term debt to Capitalisation ratio

Year	Long term debt	Capitalisation	Ratios	Change in ratio
2018-19	85,43,63,325	1,32,32,015	64.567	-
2019-20	96,58,87,086	1,41,27,190	68.370	3.803
2020-21	1,12,31,96,635	1,63,01,340	68.902	-0.532
2021-22	1,24,67,80,744	1,80,71,370	68.992	-0.090
2022-23	1,53,97,64,062	2,14,78,380	71.689	2.697

(Source: Annual audit report of society from 2018-19 to 2022-23)

Graph 4.2

Long term Debt to Capitalisation ratio



Long term debt to capitalization ratio shows the financial leverage of the firm. That ratio considers proportion of long-term debt to equity capital. In 2018-19 ratio was 64.567, 2019-

20, 68.370, 2020-21, 68.902, 2021-22, 68.992, and in 2022-23 it was 71.689. If we see the trend of ratio the ratio has increased as compared to first year till the fourth year and in the fifth year it was decreased. A long-term debt to capitalization ratio which is greater than 1.0 indicates that the business has more debts than capital which is not a good thing for a business as it can lead to lots of financial problems, especially the company getting bankrupt. A high long-term debt to capitalization ratio would indicate the financial weakness of the firm and the debt would most likely increase the risk of the company. A lower long-term debt to capitalization ratio indicates that the business is not having any major financial difficulties.

3.Debt to Equity Ratio =Total Debt/ Shareholders equity

Table 4.3

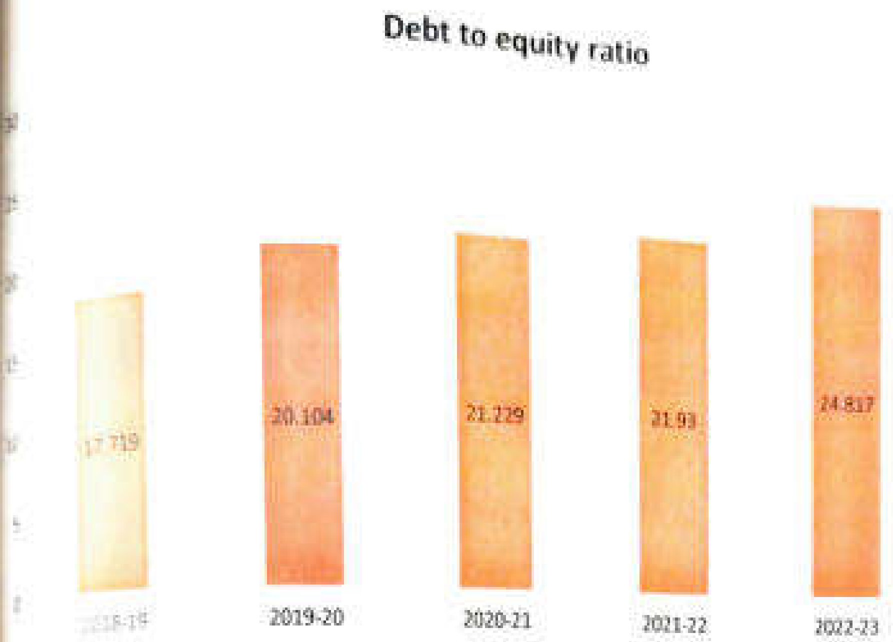
Debt to equity ratio

Year	**Total debt**	**Shareholders fund**	**Ratio**	**Change in ratio**
2018-19	1,07,22,67,264	6,05,14,614	17.719	-
2019-20	1,19,80,47,728	5,95,90,064	20.104	2.385
2020-21	1,41,21,94,597	6,65,19,319	21.229	1.125
2021-22	1,58,47,31,376	7,22,62,312	21.930	-0.701
2022-23	1,98,05,90,102	7,98,06,173	24.817	2.887

(Source: Annual audit report from 2018-19 to 2022-23)

Graph 4.3

Debt to equity ratio



The debt-to-equity ratio shows a proportion between societies borrowed capital and equity capital. This ratio is measures of the relative claims of creditors and owners against the firm's assets. Standard proportion of this ratio is 2: 1. In 2020-21 the ratio was 121.229:1, 2021-22 21.930: 1, 2019-20 17.719: 1, 2020-21 20.04: 1 and in 2022-23 it was24.817 :1. So from the above analysis it was observed that in the year 2021-22 the ratio was increasing year by year. And in the year 2021-22 it was decreased by 0.701. A higher debt to equity ratio indicates that more creditor financing is used than investor financing (shareholders). From the above analysis it was found that the society's debt to equity ratio is above standard so company now cannot raise the debt it become harmful to society. It means that company using more debt capital rather than equity capital. Companies with a higher debt to equity ratio are considered riskier to creditors and investors than companies with a lower ratio. So, it was suggested that company reduce the debt capital.

4. Total Dept to capitalisation Ratio = Total debt/ Total debt + Shareholders equity

Table 4.4

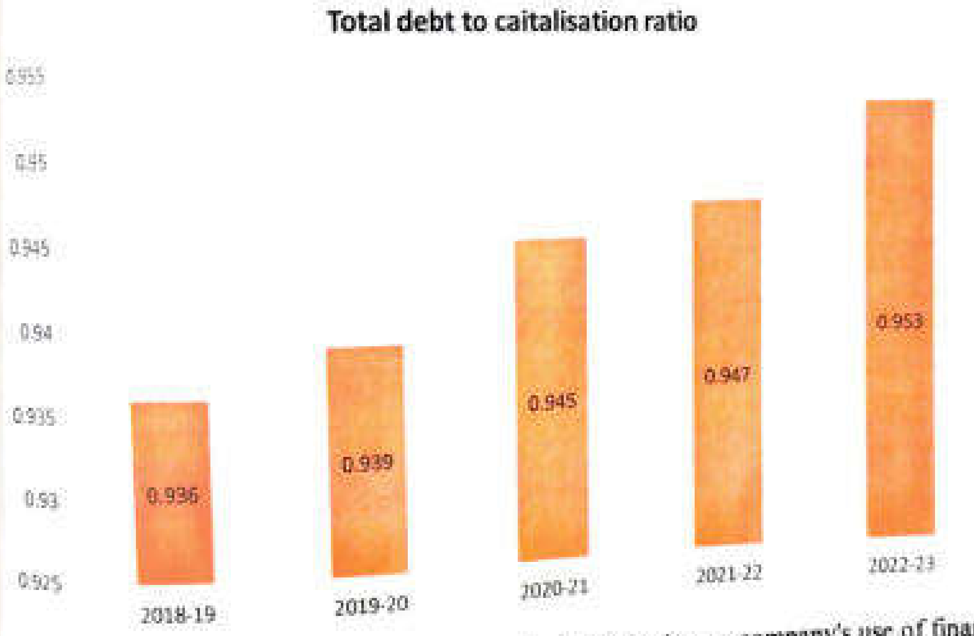
Total Debt to Capitalisation Ratio

Year	Total debt	Capitalisation	Ratio	Change in ratio
2018-19	1,07,22,67,264	11,45,37,31,62	0.936	-
2019-20	1,19,80,47,728	12,74,64,84,59	0.939	0.003
2020-21	1,41,21,94,597	14,93,34,84,03	0.945	0.006
2021-22	1,58,47,31,376	16,72,83,52,38	0.947	0.002
2022-23	1,98,05,90102	20,78,03,59,01	0.953	0.006

(Source: Annual audit report from 2018-19 to 2022-23)

Graph 4.4

Total debt to capitalisation ratio



The total debt to capital ratio is a liquidity ratio that calculates a company's use of financial leverage by comparing its total obligations to total capital. In other words, this ratio measures the proportion of debt a company uses to finance its operations as compared to its capital.

The above table and graph show that in the year 2018-19 the total debt to capitalization ratio was 0.936, in 2019-20 it was 0.939, in 2020-21 it was 0.945, 2021-22 it was 0.947 and

In 2022-23 it was 0.953. Form the above analysis it was observed that the ratio was increased in year by year and after that the ratio was increased. If the debt-to-capital ratio is greater than I, the firm has more debt than capital. This company is extremely risky. Ib any more liabilities are acquired without an increase in earning, the company might go bankrupt. On the other hand, if the ratio is less than 1, the debt levels are manageable and the firm is considered less risky. So, in form the above analysis it was found that the total debt to capitalization ratio of society is less than 1 so the society's debt level is manageable.

5.Interest Coverage Ratio = EBIT/Interest Expenses

Table 4.5

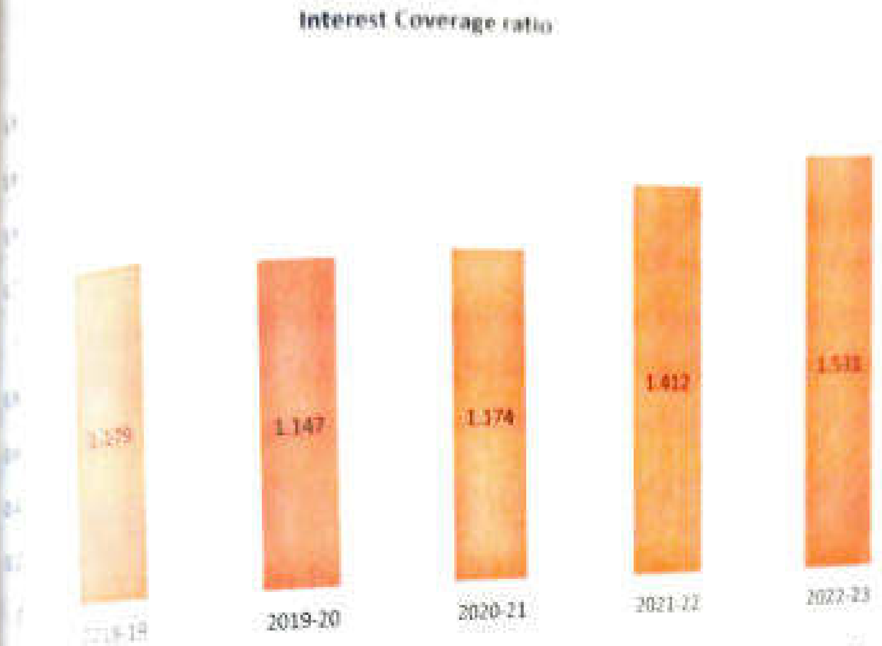
Interest Coverage Ratio

Year	EBIT	Interest expenses	Ratio	Change in ratio
2018-19	22,40,60,635	12,51,35,089	1.179	-
2019-20	21,22,47,664	14,40,86,784	1,147	-0.643
2020-21	18,80,16,093	16,01,40,246	1.174	0.027
2021-22	20,41,59,257	14,45,22,871	1.412	0.238
2022-23	23,27,25,613	15,19,59,129	1.531	0.119

(**Source:** Annual audit report from 2018-19 to 2022-23)

Graph 4.5

Interest Coverage Ratio



The interest coverage ratio is a financial ratio that measures society's ability to make interest payments on its debt in a timely manner. The above table and graph show that in the year 2018-19 the ratio was 1.179 times, 2019-20 1.147 times, 2020-21 1.174 times, 2021-22 1.1.412 times and in 2022-23 it was 1.531 times. The interest coverage ratio is a financial ratio that measures a society's ability to make interest payments on its debt in a timely manner. In the year 2019-20 society's ratio was negative it means that society earning is less than interest payment. In the year 2018-19 this ratio was 1.1.179 times, in 2019-20 this ratio was 1.147 times it was again decreased as compared to last year. So, from the above trends in ratio, it was observed that the societies interest coverage ratio is less than one every year it means that society is not able to pay the interest on debt so it's not favourable to society take debt.

4.4PROFITABILITY OF THE SOCIETY

Table 4.6 Profitability of society

Year	Net Profit	Increase/decrease	% Change
2018-19	33,62,613	-	-
2019-20	38,31,114	4,68,501	13.93
2020-21	43,66,617	5,35,503	13.97

2021-22	48,23,197	4,56,580	10.45
2022-23	55,03,094	6,79,897	14.29

(**Source:** Annual audit report from2018-19 to 2022-23)

The above table shows the company's net profit for the last five years. In the year 2018-19 the net profit of the institution was ₹ 33,62,613 in the year 2019-20 it was increased by ₹ 4,68,501 and become ₹ 38,31,114, in 2020-21 it was increased by ₹ 5,35,503 and become ₹ 43,66,617, in 2021-22 it was increase by ₹ 4,56,580 and become ₹ 48,23,197 and in the year 2022-23 it was increased by ₹ 6,79,897 and become ₹ 55,03,094. So, from the above table it was observed that net profit of the company increasing year by year so was good thing form the point view of society.

6.Net Profit Ratio = Net Profit / Net Sales x100

Table 4.7

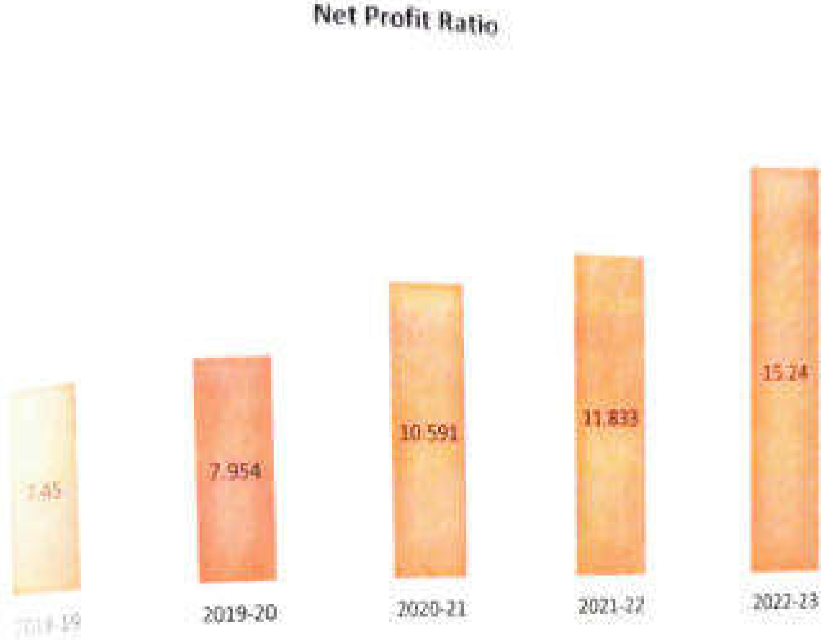
Net Profit Ratio

Year	**Net profit**	**Sales**	**Ratio %**	**Change in ratio %**
2018-19	33,62,613	4,51,34,809	7.450	-
2019-20	38,31,114	4,81,60,065	7.954	0.504
2020-21	43,66,617	4,12,25,896	10.591	2.637
2021-22	48,23,197	4,07,57,184	11.833	1.242
2022-23	55,03,094	3,60,95,728	15.240	3.407

(Source: Annual audit report from 2018-19 to 2022-23)

Graph 4.6

Net Profit Ratio



The net profit ratio shows a proportion between society's net profit after tax and net sales. Net profit ratio is a useful tool to measure the overall profitability of the business. A high ratio indicates the efficient management of affairs of the society. There is no standard norm to interpret this ratio. To see whether the business is constantly improving its profitability or not, the analyst should compare the ratio with the previous years' ratio. The above table and graph show that in the year 2018-19 the ratio was 7.450%, in 2019-20 7.954%, in 2020-21 10.591%, in 2021-22 ,11.833% and in 2022-23 it was 15.240%. From the above analysis it was found that net profit ratio of society decreasing year by year as compared to last year so it is dangerous to society, society should take care of the net profit ratio.

7.Gross Profit Ratio = Gross Profit / Net Sales x100

Table 4.8

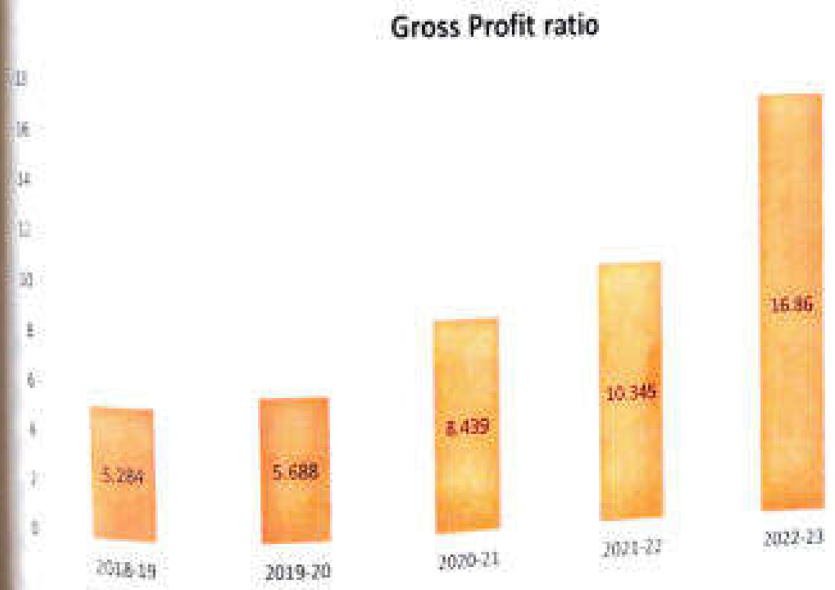
Gross Profit Ratio

ears	GP	Sales	Ratio	Change in ratio
18-19	23,85,283	4,51,34,809	5.284	-
19-2020	27,39,701	4,81,600,65	5.688	0.404
20-2021	34,79,415	4,12,25,896	8.439	2.751
21-2022	42,16,730	4,07,57,184	10.345	1.906
22-2023	60,85,900	3,60,95,728	16.860	6.515

(Source: Annual Audit report from 2018-19 to 2022-23)

Graph 4.7

Gross Profit Ratio



Gross profit ratio is a profitability ratio that shows the relationship between gross profit and total et sales revenue. It is a popular tool to evaluate the operational performance of the business. The atio is computed by dividing the gross profit figure by net sales. In the year 2018-19 the ratio was

5.284%, in 2019-20 5.688%, in 2020-21 8.439%, in 2021-22 10.245% and in 2022-23 it was 16.860%. If we compare the ratio with first year it was found that the ratio increased till third year and in the fourth-year ratio was increased and it was again increased in fifth year. There is no any standard to interpret gross profit ratio generally, a higher ratio is considered better for society. This ratio is very useful for any business. It should be sufficient to cover all expenses and provide for profit. Generally higher ratio is considered better for the society and if you look towards the ratio of selected society, it was fluctuating trend so society should take care about the fluctuation and increase the gross profit ratio because it was not till satisfactory.

4.5 Capitalisation of co-operative society

Table 4.9 Capitalisation of society

Year	Fixed assets	Current liabilities	Working capital	Capitalisation
2018-19	3,34,42,664	14,24,93,587	96,94,36,911	1,14,53,73,162
2019-20	3,40,26,401	9,93,47,505	1,14,12,74,553	1,27,46,48,459
2020-21	3,40,49,024	3,40,01,466	1,4933,00,837	1,49,33,48,403
2021-22	4,44,46,984	4,44,68,891	1,67,28,57,145	1,67,28,35,238
2022-23	5,60,90,390	5,59,67,553	2,07,79,13,064	2,07,80,35,900

(Source: Annual Audit report from 2018-19 to 2022-23)

4.6 FUNCTIONS OF SOCIETY:

1. Accepting deposits:

Accepting deposits from the public/members of society is the primary or basic function of Shri Jay Bhavani. The Shri Jay Bhavani acts as an intermediary by accepting deposits and paying interest on them and making loans and charging the borrowers interest at a higher rate. The difference between these two rates of interest minus the administrative charges is the profit of the shri Agbayani.

A. Savings Account deposits:

Savings accounts are opened by a large number of people who wish to save portion of their income earned by way of agriculture and deposit the same with the shri jay Bhavani. They are opened mainly by salaried class, middle income group, and small farmers. Shri jay Bhavani accept deposits with a view to encourage the savings habits among the members.

2. Lending:

The deposits accepted by the shri jay Bhavani from the depositors are not kept 'as idle' cash balance. After keeping certain cash reserves, the balance is used to land to the needy borrowers in the form of loans and advances. Shri jay Bhavani provides finance to members of society for agriculture purpose.

The profit earning capacity of shri jay Bhavani depends upon this function. Shri jay Bhavani accept deposits at a lower rate of interest and give them as loans and advances at a higher rate of interest.

4.7CONCLUSION:

From the above analysis it was observed that society capital structure includes Share capital, Reserve & other funds, Grants & other funds, Deposits, Loans and Debts. The societies share capital has increased every year. It was observed that the society's reserves and other funds have increased year by year. It was observed that grants of the society increasing from the year 2018-19 to 2022-23 and in the year 2018-19 to 2022-23 deposit was also increased. The loan of the society shows the fluctuating trend. It was observed that in the year 2018-19, the organization's debt was reduced but after that it was continuously increased.

From above data analysis it was conclude that higher equity ratio favorable for society but when we look at the ratio of the society performance is not good. So, from the above information it was observed that the long-term debt to capitalization ratio of company is less than one in five years it means that company is able to pay its debt. Long term debt to capitalization ratio of society is good because it was less than one. The society's debt to equity ratio is above standard so company now cannot raise the debt it become harmful to society. It was observed that the society's interest coverage ratio is less than one every year it means that society is not able to pay the interest on debt so it's not favorable to society take debt. It was found that trend of total debt to capitalization ratio in last two years has increased which create greater risk so society should take care that this atio should not exceeds 1. It was also observed that gross profit and net profit of the company creasing year by year but it was not enough society should take efforts for better performance.

CHAPTER V

FINDINGS, SUGGESTION AND CONCLUSION

CHAPTER V

FINDINGS, SUGGESTION AND CONCLUSION

5.1 INTRODUCTION:

5.2FINDINGS OF THE STUDY-

5.3SUGGESTIONS:

5.4 CONCLUSION:

CHAPTER V

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 INTRODUCTION:

This chapter consists the important finding of the study. The researcher has drawn some Important findings from the data analysis of capital structure and overall performance of the Society. On the basis of findings researcher has given some important suggestion. Regarding The capital structure and performance of the society. These suggestions are based on the Findings that will helpful for society to improve their performance. Allen the suggest kilts Researcher has made the conclusion of the overall study. This conclusion is cm the capital Structure and performance of the society.

5.2 FINDINGS OF THE STUDY-

1. It was found that number of members of the society increasing year by year.
2. It was observed that share capital of the society increasing year by year during the study Period. (Table No. 3.1)
3. The study reveals that fund of the society increasing year by year. (Table Na. 3.1)
4. The study indicates that total fixed deposits of the society were increasing year by year. (Table No. 3.1)
5. It was observed that investment of the society increasing year by year. (Table No. 3.1)
6. It was observed that borrowings of the society increasing year by year (Table No. 3.1)
7. It was found that net profit of the society was increasing year by year from 2028-19to

2022-23. (Table No. 3.1)

8. It was found that from the year 2018-19 dividend rate is 9%, at the end of 2022-23 dividend rate is same.

(Table No. 3.1)

9. It was found that equity ratio was decreased in the year 2018-19 and 2019-20 but in year 2020-21 and 2021-22 it was increased. Higher the ratio is favourable for the society but now It was increasing. (Table No.4.1)

10. It was observed that the long-term debt to capitalization ratio of society is increase 2018-19 and 2019-20, but the 2020-21 and 2021-22 it was also increased.

11.It was found that the society's debt to equity ratio is increased in 2018-19 and 2019-20. But the 2020-21 and 2021-22 it was decreased. (Table No.4.2)

12. It was observed that the society's interest coverage ratio is increased in 2018-19 and 2019-20. It means that society is not able to pay the interest on debt so it was not favourable To society take debt. (Table No.4.3)

13. The total debt to capitalization ratio of society is less than 1 in every year it means that Society's debt level is manageable and the firm is less risky. (Table No.4.4)

14. It was found that net profit of the society increasing year by year except the year 2019-20 Generally higher ratio is considered better for the society. (table 4.5)

15. It was observed that current ratio is increasing from the year 2019-20 and 2020-21 but in the year 2021-22 it was increased. (table No.4.6)

16. It was observed that debt equity ratio is increased in 2018-19 and 2019-20 but in The year 2020-21 and 2021-22 it was also increased. (Table No.4.3)

5.3 SUGGESTIONS:

1. Higher equity ratio is favourable for society but when we look at the ratio of the society It was decreasing. So, it was suggested to maintain the equity ratio. A higher ratio also shows Potential creditors that the company is more sustainable and less risky to lend future loans.

2. It was observed that the long-term debt to capitalization ratio of society is increased in 2018-19 and 2019-20, but the 2020-21 and 2021-22 it was decreased so it was suggested to The society to maintain the ratio.

3. It was found that the society's debt to equity ratio is above standard it means that society Is using more debt capitol rattier than equity capital so it was suggested that don't raise the Debt because it becomes harmful to society.

4. It was observed that the society's interest coverage ratio is less than one every year it Means that society is not able to pay the interest on debt so it was suggested that do not take The more debt.

5. It was found that net profit of the society increasing year by year except the year 2019-20 Generally higher ratio is considered better for the society so it was suggested to Increase the net profit ratio.

6. It was observed that current ratio was decreasing in 2019-20 and 2020-21 and 2021-22 it Was increased to it was suggested to the society to maintain the ratio.

7 It was observed that debt equity ratio Was increasing from the year 2018-19 and 2019-20 But in the year 2020-21 and 2021-22 it was decreased. It means that society is using more Debt capital rather than equity capital so it was suggested that don't raise the debt because it Becomes harmful to society.

8. At present satiety has its great position on the return on equity capital ratio so it was Suggested to the society to take care about the return on equity capital ratio in future.

5.4 CONCLUSION:

Co-operative credit societies help rural people to solve their problems. They provide Different facilities, services and livelihoods in the community. Shri Jay Bhavani Urban co-operative Credit society is also playing important role in the rural development. Rural development Is real development. Form the study of the selected society it was conclude that the Societies share Capital has increased every year. The society's reserves and other funds have increased year y year. In the year 2018-19 to 2022-23 the society deposit is increased year by year. The Investment on the society is increased year by year.

Higher equity ratio favourable for society but when we look at the ratio of the society the Performance is not good. The long-term debt to capitalization ratio is increased year by year But the last two years it was decreased. It was observed that the debt-to-equity ratio is Increased year by year but last two years it was decreased. The interest coverage ratio is less In first two years it means that society is not able to pay the interest on debt so it's not Favourable to society take debt. It was observed that the total debt to capitalization ratio is Increased which create greater risk so society should take care that this ratio should not Exceeds. It was also observed that net profit of the society increasing year by year but it was Not enough society should take efforts for better performance. It was observed that current Ratio was decreasing in 2019-20 and 2020-21 and 2021-22 it was increased so it was Suggested to the society to maintain the ratio. And the debt-to-equity ratio was increasing From the year 2018-19 and 2019-20 but in the year 2020-21 and 2021-22 it was decreased. It means that society is using more debt capital rather than equity capital so it was suggested

That don't raise the debt because it becomes harmful to society. At present society has its Great position on this ratio so it was suggested to the society to take care about the return on Equity capital ratio in future.

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Report –

Annual Report of the Shri Jay bhavani Urban Co-operative Credit Society Limited Peth Vadgaon, Urban, Kolhapur for the Year 2018-19to 2022-23.

सन २०१८-२०१९ चा

४३ वा वार्षिक अहवाल

दि. ३१-३-२०१९ अखेरचे

-२०१८ पैसे	भांडवल व देणी	रुपये पैसे	सन ३१-०३-२०१९ रुपये पैसे
२,५०,००,०००-००	**अधिकृत भाग भांडवल**		२,५०,००,०००-००
[illegible],९९५-००	**वसुल भाग भांडवल**		१,३२,३२,०९५-००
[illegible],५३४-५२	**फंडस्**		४,३९,१९,९८६-७७
[illegible],९२०-००	रिझर्व्ह	१,२५,९१,२८४-००	
[illegible],४३०-००	सार्वजनिक कल्याण	१०,३३०-००	
[illegible],१२१-००	इमारत ह्रीज	२४,१६,२३६-००	
[illegible],८३०-००	सार्वजनिक धर्मादाय	८,२२,०००-००	
[illegible],३६६-००	लॉकर खरेदी	८५,७४६-००	
[illegible],१५२-८२	एन पी ए व थकव्याज तरतूद	१,९०,४५,८२४-७७	
[illegible],२५५-००	इमारत	२९,६९,९४४-००	
४२,३१,२००-७०	फर्निचर डेडस्टॉक ड्रीज	४७,८९,५४३-००	
[illegible],१६५-००	लॉकर ड्रीज	२,१२,३११-००	
[illegible],९६८-००	लाभांश समकरण	३,२६,७६८-००	
[illegible]५०,०००-००	सुवर्ण महोत्सव निधी	६,५०,०००-००	
१०,९६,७८,७८०-६०	**ठेवी**		१,०७,२२,६७,२६४-६०
[illegible],३६५-६०	सेव्हिंग्ज	६,२८,४२,५२७-७६	
[illegible],१६७-००	जयभवानी अल्पबचत	३,४१,४५,६८३-००	
[illegible],६९२-००	कॉल डिपॉझीट	१२,७१,१३,९८०-००	
[illegible],१५२-००	अल्पमुदत	५५,४६,१६०-००	
[illegible],९४८-००	मुदतबंद	७०,२१,८३,७०२-००	
[illegible],४९१-००	दामदुप्पट	७,४९,२६,४५६-००	
[illegible],९८०-००	रिकरींग	१,२२,८४,६८५-००	
[illegible],१०२-००	धनकुंभ	१,३४,१८,२११-००	
[illegible],९६१-००	चालू खाते	११,५६,२९४-८४	
७१०-००	दामतिप्पट	७५०-००	
[illegible],४००-००	लॉकर	२,७४,५००-००	
[illegible],१३४-००	पुर्नगुंतवणूक	४१,८२,९२५-००	
[illegible],९९३-००	लखपती	१,४३,७३,०७८-००	
[illegible],४२१-००	जयभवानी लक्षाधिश	२,२७,७२४-००	
[illegible],८८५-००	कुमारबचत	२,२९,११०-००	
[illegible],३३४-००	जयभवानी कर्जकपात	१,५७,८३,४२९-००	
---	जयभवानी सुवर्ण ठेव	२५,७८,०४९-००	
९५,८९,३१,२३०-९२	**बेरीज पुढील पानावर**		१,१२,९४,५९,२६६-३७

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

सन २०१८-२०१९ चा

४३ वा वार्षिक अहवाल

ताळेबंद पत्रक नं. २

२०१८ पैसे	जिंदगी व येणी	रुपये पैसे	सन ३१-०३-२०१९ रुपये पैसे
१-८६	**मागील पान बेरीज**		१,०५,८५,१२,८९०-३०
२-५२	**इतर येणी**		४,५१,३४,८०१-३८
-३०	थककर्ज येणे व्याज	४,३०,८७,५४१-००	
-२०	एम एस ई बी डिपॉझीट	४६,९४०-००	
-००	टेलिफोन डिपॉझीट	२५,५४३-००	
-००	इमारत भाडे डिपॉझीट	२५,०००-००	
-००	वडगाव नगरपरिषद डिपॉझीट	६०-००	
-००	ग्रामपंचायत डिपॉझीट	३,५७५-००	
-००	सरकारी भरणा ॲडव्हान्स	८०,५८०-००	
-००	इमारत बांधकाम ॲडव्हान्स	---	
२४२-४६	महावितरण येणे कमिशन	३,४३,९८२-२६	
६२-४८	येणे सी जी एस टी	२,४४,०७६-७४	
-४८	येणे एस जी एस टी	२,४४,०७६-५४	
२५१-००	येणे टिडिएस एमएसईबी	७,२३,४३४-८४	
---	महाराष्ट्र सहकार विकास महामंडळ शेअर्स	३,००,०००-००	
३१,७००-६८	**स्थावर व कायम मालमत्ता**		३,३४,४२,६६४-९४
५५-००	जागा खरेदी	१,२३,३३,५६५-००	
२६५-००	इमारत	१,११,६४,५७५-००	
५००-००	लॉकर	६,४५,८००-००	
६२६-००	फर्निचर डेडस्टॉक	५४,६७,९९४-५०	
८९-००	लाईट फिटींग	८,६७,३८५-००	
२०६-००	इंटेरियर	१८,७०,०९५-००	
७०५-००	लायब्ररी	१,२०२-००	
०९०-००	वाहन	२,७५,०५८-००	
८९-६८	मशिनरी	८,०२,९९०-४४	
०००-००	बीअरपप	१४,०००-००	
८,६१,९८५-००	**शिल्लक प्रिंटींग स्टेशनरी**		५,७०,७५०-००
२०,०७,४३७-००	गुंतवणूकीवरील **येणे व्याज**		२८,८०,५४६-००
१३,८६,५९४-०८	**दुध विभाग**		७,३२,८९२-९७
९४,३६,९११-१४	एकूण		१,१४,१२,७७,५५३-५२

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगाव

सन २०१८-२०१९ चा

४३ वा वार्षिक अहवाल

दि. ३१-३-२०१९ अखेरचे

सन ३१-०३-२०१८ रुपये पैसे	भांडवल व देणी	रुपये पैसे	सन ३१-०३-२०१ रुपये
३९,२३०-१२	**मागील पान बेरीज**		१,१२,९४,११,२६६-३८
३०,३०,८४३-६९	**इतर देणी**		२९,८५,१२८-३३
९२४-६०	अनामत	४९,३९३-७४	
४३३-३७	डिव्हीडंड	१०,७६,२४०-४९	
४४८-००	ऑडिट फी	४,५०,०००-००	
११२-००	देणे भविष्यनिधी	२,५३,८८६-००	
३,२५०-००	देणे टी डी एस	२३,४७९-००	
३,९६२-६४	देणे जी. एस. टी.	१२,९६९-००	
---	महावितरण कंपनी	९४,८९२-००	
१,६८०-००	कर्ज विमा	---	
००,०००-००	देणे जागा खरेदी	---	
२६,५६९-००	देणे लवाद खर्च	१,६९,२६८-००	
११,५००-००	देणे टेलिफोन बिल	१०,५००-००	
१,९२९-००	सरचार्ज	---	
१३,०००-००	देणे लाईट बिल	१४,०००-००	
२,५००-००	देणे संस्था व्यवसाय कर	२,५००-००	
२५,३००-००	देणे प्रशिक्षण फी	२५,०००-००	
२९,५००-००	सुरक्षा ठेव	---	
५३,०००-००	बयाना रक्कम	---	
४२,७६,२३७-००	**देणे व्याज ठेवीवरील**		६३,०७,४५४-००
३९,९८,५९०-४९	**निव्वळ नफा**		३३,६२,६९३-८८
१६,९४,३६,९११-१४	एकूण		१,१३,६२,७४,५६३-९१

ताळेबंद पत्रक नं. २

जिंदगी व येणी	रुपये पैसे	सन ३१-०३-२०१९ रुपये पैसे
रोख शिल्लक		१३,५५,४१७-६४
बँक शिल्लक		२,५१,८२,०७१-८६
बँकातील कॉल व मुदत ठेव		१४,६२,०१,२२१-००
गुतवणूक		३,१४,०२,८४२-००
को जि म बँक शेअर्स	१,०१,०००-००	
शेतकरी सहकारी संघ शेअर्स	१,०००-००	
को जि पतसंस्था फेडरेशन शेअर्स	१,०००-००	
महाराष्ट्र राज्य पत फेडरेशन शेअर्स	३,०००-००	
म फुले मा शे वि सह सुत गि लि शेअर्स	५,०००-००	
बिनपरतीचे राखीव निधी	५२,५८,७८१-००	
रिझर्व्ह फंड गुतवणूक	७३,१३,२३५-००	
म रा सह पतसंस्था फेड सुरक्षा ठेव	२०,०००-००	
फर्निचर डेड फ्रीज निधी इचल जनता सह बँक	४३,२१,४५१-००	
लॉकर खरेदी व फ्रीज निधी इचल जनता बँक	२,६८,९११-००	
इमारत फ्रीज फंड इचल जनता सह बँक	२१,३७,१२१-००	
सार्वजनिक धर्मादाय निधी इचल जनता बँक	८,२२,०००-००	
लाभांश समकरण निधी वडगाव अर्बन बँक	३,२६,७६८-००	
सुवर्णमहोत्सव निधी के डी सी सी बँक	६,५०,०००-००	
एनपीए व थकव्याज तरतुद निधी	६३,७९,६३१-००	
इमारत निधी गुतवणूक	२९,६९,९४४-००	
म रा वि मंडळ विज बिल वसुली	८,२४,०००-००	
कर्जे		८५,४३,६३,३२५-८०
जामिनकी	२,०९,४५,९५५-००	
अल्पबचत तारण	४१,९५,२०४-००	
सोनेतारण	६,३४,४४,०३५-००	
कॅशक्रेडिट	२४,९३,८९,७४२-८०	
वाहनतारण	४,६२,९६,९०७-००	
अल्पमुदत ठेवतारण	६,२३,३७,०९२-००	
नजरगहाण	१२,४६,५४२-००	
स्थावरतारण	२४,३४,५५,९२५-००	
मालतारण	१,१०,८०,०११-००	
दीर्घमुदत ठेवतारण	४,८६,९३९-००	
तारण कॅशक्रेडिट	१०,४४,९३,७७७-००	
बेरीज पुढील पानावर		१,०५,८५,९२,८९०-३०

2019-20

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

सन २०१९-२०२० चा

४४ वा वार्षिक अहवाल

दि. ३१-३-२०२० अखेरचे

सन ३१-०३-२०१९ रुपये पैसे	भांडवल व देणी	रुपये पैसे	सन ३१-०३-२०२० रुपये पैसे
२,५०,००,०००-००	**अधिकृत भाग भांडवल**		२,५०,००,०००-००
१,३२,३२,०१५-००	**शेअर भांडवल**		१,४१,२७,११०-००
४,३९,११,९८६-७७	**फंडस्**		४,५०,७१,७६०-६१
१,२५,९४,२८४-००	रिझर्व्ह	१,३५,६२,६६७-११	
४०,३३०-००	सार्वजनिक कल्याण	४,३३०-००	
२९,८९,९४४-००	इमारत	३१,६९,९४४-००	
२२,०००-००	सार्वजनिक धर्मादाय	८,७२,०००-००	
८५,७४६-००	लॉकर खरेदी	८५,७४६-००	
१,६०,३१,८२४-७७	एन पी ए व थकव्याज तरतूद	१,९३,६७,६४६-२१	
२४,१६,२३६-००	इमारत झीज	२६,९५,३५१-००	
३७,८९,५४३-००	फर्निचर डेडस्टॉक झीज	४०,०३,८५१-२५	
२,१२,३११-००	लॉकर झीज	२,४१,४५७-००	
३,२६,७६८-००	लाभांश समकरण	३,२६,७६८-००	
६,५०,०००-००	सुवर्ण महोत्सव निधी	७,५०,०००-००	
१,०७,२२,६७,२६४-६०	**ठेवी**		**१,१९,८०,७७,७२८-**
११,५६,२१४-८४	चालू खाते	२१,२८,४८४-१४	
६,२८,४२,५२७-७६	सेव्हिंग्ज	७,३९,१०,४०९-७६	
३,४१,४५,६८३-००	जयभवानी अल्पबचत	३,५७,८५,३२७-००	
१२,७१,१३,९८०-००	कॉल डिपॉझीट	१२,७२,४८,३६७-००	
५५,४६,१६०-००	अल्पमुदत	८४,७४,७२१-००	
७०,२१,८३,७०२-००	मुदतबंद	७८,६८,४८,१९३-००	
७,४१,२६,४५६-००	दामदुप्पट	८,४४,८९,१७७-००	
१,२२,८४,६८५-००	रिकरींग	१,४०,७६,०८०-००	
१,३४,१८,२११-००	धनकुंभ	१,४८,४६,४१६-००	
७५०-००	दामतिप्पट	७५०-००	
२,७४,५००-००	लॉकर	६,३३,०००-००	
४१,८२,९२५-००	पुर्नगुंतवणूक	४१,४२,४१२-००	
१,४३,१३,०७८-००	लखपती	१,९२,८७,५१४-००	
२,२७,७२४-००	जयभवानी लक्षाधिश	६४,३१९-००	
२,२१,११०-००	कुमारबचत	२,११,३७४-००	
१,५७,८३,४२५-००	जयभवानी कर्जबचत	१,६६,४०,४७६-००	
२५,७८,०४१-००	जयभवानी सुवर्ण ठेव	२१,७२,८६१-००	
१,१२,९४,११,२६६-३७	**बेरीज पुढील पानावर**		१,२५,७२,५५,६७१

ताळेबंद पत्रक नं. २

[illegible] २०१९ पैसे	जिंदगी व येणी	रुपये पैसे	सन ३१-०३-२०२० रुपये पैसे
[illegible]	मागील पान वरील		१,६८,४३,९२,६०१-०३
[illegible]	**इतर येणी**		४,४१,६०,०६१-७०
[illegible]	[illegible] येणे व्याज	४,१०,११,६९२-००	
[illegible]	लाईट डिपॉझीट	७०,६६०-००	
[illegible]	टेलिफोन डिपॉझीट	२१,११३-००	
[illegible]	इमारत भाडे डिपॉझीट का [illegible]	२१,०००-००	
[illegible]	वडगाव [illegible] डिपॉझीट	६०-००	
[illegible]	सरकारी भरणा [illegible]	८०,५८०-००	
[illegible]	[illegible] येणे कमिशन	४,२१,२९३-२६	
[illegible]	ग्रामपंचायत डिपॉझीट	३,४११-००	
[illegible]	महाराष्ट्र सहकार विकास महामंडळ	---	
[illegible]	येणे सी जी एस टी	४,८१,८८१-२२	
[illegible]	येणे एस जी एस टी	४,८१,८८०-३१	
---	येणे रिटेंशन म्हाडा	१,६७,३०८-००	
---	लॉकर डिपॉझीट	५,०००-००	
[illegible]	येणे रिटेंशन एम एस ई बी	६,४१,८०१-८४	
[illegible]	**स्थावर व जंगम मालमत्ता**		३,४०,२८,४०१-१०
[illegible]	जागा खरेदी	१,२३,३३,९६१-००	
[illegible]	इमारत	१,१३,१६,६००-००	
[illegible]	लॉकर	१,३८,३००-००	
[illegible]	फर्निचर इलेक्ट्रीक	१२,८७,०९१-३१	
[illegible]	लाईट फिटींग	८,४१,०८७-००	
[illegible]	इन्व्हर्टर	१४,००,५३१-००	
१,२०२-००	संगणक	५०२-००	
[illegible]	वाहन	२,८१,२८१-००	
[illegible]	मशिनरी	१६,१२,६२०-६६	
४८,०००-००	बांधकाम	१४,०००-००	
१,७०,४४०-००	**शिल्लक प्रिंटींग स्टेशनरी**		७,१४,८५०-५१
१८,८०,१६३-००	**गुंतवणुकीवरील येणे व्याज**		१८,८१,२९३-००
७,३३,८९२-४०	**दुध विभाग**		७,८१,२६०-८८
१,५८,१२,७४,५५३-५१	**एकूण**		१,७६,५९,६४,४९३-४४

ताळेबंद पत्रक नं. २

पैसे	जिंदगी व येणी	रुपये पैसे	सन ३१-०३-२०२० रुपये पैसे
[illegible]	रोख शिल्लक		२४,०७,०५२-२९
[illegible]	बँक शिल्लक		१,१३,७७,२७७-६६
[illegible]	बँकातील कॉल व मुदत ठेव		१७,४८,४६,०९५-००
[illegible]	गुंतवणूक		३,०८,७४,९६०-००
[illegible]	को जि म बँक शेअर्स	१,०१,०००-००	
[illegible]	शेतकरी सहकारी संघ शेअर्स	१,०००-००	
[illegible]	एन पी ए तरतुद निधी	३५,१७,१२६-००	
[illegible]	को जि पतसंस्था फेडरेशन शेअर्स	१,०००-००	
[illegible]	महाराष्ट्र राज्य पत फेडरेशन शेअर्स	३,०००-००	
-८०	म फुले मा शे वि सह सुत गि लि शेअर्स	५,०००-००	
-००	बिनपरतीचे राखीव निधी	५२,५८,७८१-००	
३३१-००	रिझर्व्ह फंड गुंतवणूक	८२,३७,३७५-००	
०-००	म रा सह पतसंस्था फेड सुरक्षा ठेव	२०,०००-००	
४४१-००	फर्निचर डेड झीज निधी गुंतवणूक	४७,८९,५४३-००	
९३५-००	लॉकर खरेदी व झीज निधी गुंतवणूक	२,९८,०५७-००	
९२५-००	इमारत झीज गुंतवणूक	२३,४७,०७४-००	
५४४-००	इमारत निधी गुंतवणूक	३२,३९,१०६-००	
०००-००	सार्व धर्मादाय निधी गुंतवणूक	८,७२,०००-००	
३६८-००	लाभांश समकरण निधी गुंतवणूक	३,२६,७६८-००	
०००-००	म रा वि मंडळ विज बिल वसुली	१०,२४,०००-००	
४०,०००-००	सुवर्ण महोत्सव निधी	७,५०,०००-००	
---	सार्वजनिक कल्याण निधी	४,३३०-००	
१४३,६३,३२५-८०	**कर्ज**		९६,५८,८७,०८६-८०
२१,९४५-००	जामिनकी	१,८९,०७,९१८-००	
४,२०८-००	अल्पबचत तारण	३९,४२,३००-००	
५५,०३९-००	सोनेतारण	६,९०,५०,०८४-००	
९८४-८०	कॅशक्रेडिट	३०,२९,९२,४५९-८०	
५०७-००	वाहनतारण	४,९६,७९,८२०-००	
२९,०९३-००	अल्पमुदत ठेवतारण	५,८२,९६,८४५-००	
४९२-००	नजरगहाण	११,३९,८८५-००	
९३५-००	स्थावरतारण	२६,७८,६४,८९७-००	
०,०९९-००	पगारतारण	६,६४,८६,९०७-००	
९३९-००	दीर्घमुदत ठेवतारण	३,०५,३३७-००	
९३,७७७-००	तारण कॅशक्रेडिट	१२,३९,६९,२३५-००	
---	चिन्ही तारण कर्ज	३०,८०,९९७-००	
१,०१,८५,१२,८१०-३०	**बेरीज पुढील पानावर**		१,१८,५३,१२,६०१-०३

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

सन २०१९-२०२० चा

४४ वा वार्षिक अहवाल

दि. ३१-३-२०२० अखेरचे

सन ३१-०३-२०१९ रुपये पैसे	भांडवल व देणी	रुपये पैसे	सन ३१-०३-२०२० रुपये पैसे
१,१२,९४,९९,२६६-३७	मागील पान बेरीज		१,२५,७२,५४,६७१-५१
२९,८५,९२८-३४	इतर देणी		२४,४९,४९२-६४
५५,३९३-७५	अनामत	७४,४३८-७५	
[illegible],५८,२४०-५९	डिव्हीडंड	११,९९,५६८-८९	
[illegible],४३,८८६-००	देणे भविष्यनिधी	२,७३,६१४-००	
२३,४७९-००	देणे टी. डी. एस	१२,९११-००	
१,६९,२६८-००	देणे लवाद खर्च	१,६४,४२३-००	
९५,८९२-००	महावितरण कंपनी	---	
---	सरचार्ज	६,५९४-००	
४,५०,०००-००	ऑडिट फी	६,५०,०००-००	
२५,०००-००	देणे प्रशिक्षण फी	१८,५००-००	
---	कर्ज विमा	१,८८५-००	
१२,९६१-००	देणे जी. एस. टी.	१०,७९३-००	
२,५००-००	देणे संस्था व्यवसाय कर	२,५००-००	
१४,०००-००	देणे लाईट बिल	२०,०००-००	
१०,५००-००	देणे टेलिफोन बिल	९,७६५-००	
---	देणे ग्रामपंचायत कर	४,५००-००	
६३,०७,४८५-००	देणे व्याज ठेवीवरील		७४,२९,२०७-००
३३,६२,६१३-८८	निव्वळ नफा		३८,३१,११४-२९
१४,१२,७४,५५३-५९	एकूण		१,२७,०९,६४,४९३-४४

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., ५० वडगाव

सन २०२०-२०२१ चा

४५ वा वार्षिक अहवाल

दि. ३१-३-२०२१ अखेरचे

सन ३१-०३-२०२० रुपये पैसे	भांडवल व देणी	रुपये पैसे	सन ३१-०३-२०२ रुपये
२,५०,००,०००-००	**अधिकृत भाग भांडवल**		२,५०,००,०००-००
१,४१,२७,१९०-००	**शेअर भांडवल**		१,६३,०१,९४०-००
४,५०,७९,७६०-६१	**फंडस**		४,५८,५१,३६
१,२१,६२,६६७-१५	रिझर्व्ह	१,४६,३४,४८७-११	
४,३३०-००	सार्वजनिक कल्याण	४,३३०-००	
३१,६९,९४४-००	इमारत फंड	६३,४८,२१०-००	
७२,०००-००	सार्वजनिक धर्मादाय	९,२२,०००-००	
४,७४६-००	लॉकर खरेदी	---	
१,६३,६०,६४६-२१	एन पी ए व थकव्याज तरतूद	२,२७,६५,५६७-८०	
२६,९५,३५१-००	इमारत झीज	---	
४०,०३,८५१-२५	फर्निचर डेडस्टॉक झीज	---	
२,४१,४५७-००	लॉकर झीज	---	
३,२६,७६८-००	लाभांश समकरण	३,२६,७६८-००	
८,५०,०००-००	सुवर्ण महोत्सव निधी	८,५०,०००-००	
१,११,८०,४७,७२८-१०	**ठेवी**		१,४१,२१,१४,११७-२३
२१,२८,४८४-१४	चालू खाते	१५,६५,६१७-५४	
९,३९,१०,४०९-७६	सेव्हिंग्ज	९,१६,६९,३०९-८९	
३,५७,८५,३२७-००	जयभवानी अल्पबचत	४,२४,४६,६३७-००	
१२,७२,४८,३६७-००	कॉल डिपॉझीट	११,८१,६३,७९८-००	
८४,७४,७२१-००	अल्पमुदत	६,२१,०५,७३७-००	
७८,६८,४८,१९३-००	मुदतबंद	९१,३८,१८,५०५-००	
८,४४,८९,१७७-००	दामदुप्पट	८,५६,२८,३१७-००	
१,४०,७६,०८०-००	रिकरींग	१,५२,१०,११५-००	
१,४८,४६,४१६-००	धनकुंभ	१,६७,०९,५२०-००	
९१,७२,६६९-००	जयभवानी सुवर्ण ठेव	१,७४,२८,१८१-००	
७५०-००	दामतिप्पट	७५०-००	
६,३३,०००-००	लॉकर	६,७५,०००-००	
४१,४२,४५२-००	पुर्नगुंतवणूक	३४,०६,५०७-००	
१,२२,८७,५१४-००	लखपती	२,४७,०६,५६६-००	
६४,३११-००	जयभवानी लक्षाधिश	६४,३१९-००	
२,११,३१४-००	कुमारबचत	२,०४,६०३-००	
१,६६,४०,४७६-००	जयभवानी कर्मकपात	१,८३,९१,११५-००	
१,२५,७२,५४,६७९-५१	**बेरीज पुढील पानावर**		

ताळेबंद पत्रक नं. २

सन ३१-०३-२०२० रुपये पैसे	जिदगी व येणी	रुपये पैसे	सन ३१-०३-२०२१ रुपये पैसे
२४,०७,०५२-२७	**रोख शिल्लक**		४६,४७,११८-००
४,९३,०७,२०७-६६	**बँक शिल्लक**		२,०८,०८,५४०-४६
१३,६२,४६,०९५-००	**बँकातील कॉल व मुदत ठेव**		२१,४८,३१,१२२-००
३,०८,०१,१६०-००	**गुंतवणूक**		४,५७,४०,६४८-००
४,०१,०००-००	को जि म बँक शेअर्स	४,०१,०००-००	
१,०००-००	शेतकरी सहकारी संघ शेअर्स	१,०००-००	
१,०००-००	को जि पतसंस्था फेडरेशन शेअर्स	१,०००-००	
३,०००-००	महाराष्ट्र राज्य पत फेडरेशन शेअर्स	३,०००-००	
५,०००-००	म.फुले मा. शै. वि. सह. सुत गि.लि.शेअर्स	५,०००-००	
५२,५८,७८१-००	बिनपरतीचे राखीव निधी	५२,५८,७८१-००	
८२,३७,३७५-००	रिझर्व्ह फंड गुंतवणूक	१,६६,२७,७५६-००	
२०,०००-००	म. रा. सह. पतसंस्था फेड. सुरक्षा ठेव	२०,०००-००	
४७,८९,५४३-००	फर्निचर डेड झीज निधी गुंतवणूक	---	
२,९८,०५७-००	लॉकर खरेदी व झीज निधी गुंतवणूक	---	
२३,४७,०७४-००	इमारत झीज फंड गुंतवणूक	---	
८,७२,०००-००	सार्वजनिक धर्मादाय निधी गुंतवणूक	९,२२,०००-००	
३,२६,७६८-००	लाभांश समकरण निधी गुंतवणूक	३,२६,७६८-००	
१०,२४,०००-००	म. रा. वि. मंडळ विज बिल वसुली	१०,२४,०००-००	
७,५०,०००-००	सुवर्ण महोत्सव निधी	८,५०,०००-००	
३५,९७,१२६-००	एनपीए तरतूद निधी	१,६८,६१,२३७-००	
४,३३०-००	सार्वजनिक कल्याण निधी	---	
३२,३९,१०६-००	इमारत निधी गुंतवणूक	३४,३९,१०६-००	
९६,५८,८७,०८६-८०	**कर्जे**		१,१२,३१,९६,६३५-४१
१,८९,०७,११८-००	जामिनकी	१,३४,१७,१०७-०७	
३९,४२,३००-००	अल्पबचत तारण	६८,७३,८९४-००	
६,१०,५०,०८४-००	सोनेतारण	६,४०,४६,६९६-५०	
३०,२९,१२,५४१-८०	कॅशक्रेडिट	३५,७२,२६,१०८-७०	
४,९६,७९,८२०-००	वाहनतारण	५,१०,८३,०९१-६७	
५,८२,९६,८४५-००	अल्पमुदत ठेवतारण	६,८१,९६,०२९-००	
११,३९,८८५-००	नजरगहाण	११,२९,१४४-००	
२६,७८,६५,८१७-००	स्थावरतारण	३१,९१,६३,३४८-६०	
६,६५,८६,१०७-००	पगारतारण	८,६४,२९,२३८-९१	
३,७६,३३७-००	दीर्घमुदत ठेवतारण	८,२७,६२१-००	
१२,३९,६९,२३५-००	तारण कॅशक्रेडिट	१४,४०,२२,२४१-८०	
३०,८०,९९७-००	पिग्मी तारण कर्ज	१,०७,८२,११४-२४	
१,१८,५३,९२,६७१-७३	**बेरीज पुढील पानावर**		**१,४०,९२,२४,९०४-०५**

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

सन २०२०-२०२१ चा

४५ वा वार्षिक अहवाल

दि. ३१-३-२०२१ अखेरचे

सन ३१-०३-२०२० रुपये पैसे	मांडवल व देणी	रुपये पैसे	सन ३१-०३-२०२ रुपये
१,२५,०२,५४,६७९-५१	**मागील पान बेरीज**		१,४७,४३,४७,३०
२४,४९,४९२-६४	**इतर देणी**		४३,
७४,४३८-७५	अनामत	१,८९,९०४-०१	
११,९९,९६८-८९	डिव्हीडंड	१४,०७,७०२-९७	
२,७३,६१४-००	देणे भविष्यनिर्वाह	२,९९,९७०-००	
१२,९११-००	देणे टी डी एस	३१,११४-००	
---	नोकरविमा	४५,९७४-००	
---	महावितरण कंपनी	२२,८२,७४०-००	
१,६४,४२३-००	देणे लवाद खर्च	१,४७,२८९-००	
---	देणे सी जी एस टी	६७,८९३-०८	
---	देणे एस जी एस टी	६७,८९३-०७	
१०,७९३-००	देणे जी एस टी	३३,५९५-१६	
६,५९४-००	सरचार्ज	---	
१,८८५-००	कर्ज विमा	---	
१८,५००-००	देणे प्रशिक्षण फी	११,५००-००	
२०,०००-००	देणे लाईट बिल	२०,५००-००	
२,५००-००	देणे संस्था व्यवसाय कर	२,५००-००	
९,७६५-००	देणे टेलिफोन बिल	५,८३०-००	
४,५००-००	देणे ग्रामपंचायत कर	---	
६,५०,०००-००	देणे ऑडिट फी	७,००,०००-००	
---	देणे जीएसटी फायलिंग फी	११,०००-००	
७४,२९,२०७-००	**देणे व्याज ठेवीवरील**		९२,५७,४३
३८,३१,११४-२१	**निव्वळ नफा**		४३,६६,६
१,२७,०९,६४,४९३-४४	एकूण		१,४९,३३,००,८३

ताळेबंद पत्रक नं. २

सन ३१-०३-२०२० रुपये पैसे	जिंदगी व येणी	रुपये पैसे	सन ३१-०३-२०२१ रुपये पैसे
१,१[illegible],४३,९२,६७१-७३	**मागील पान बेरीज**		१,४०,९२,२४,९०४-०५
४,८९,६०,०६५-२७	**इतर येणी**		४,९२,२५,८९६-३२
[illegible]९२२-००	थककर्ज येणे व्याज	३,७८,९६,८२४-८२	
४२,४६०-००	लाईट डिपॉझीट	४७,४६०-००	
५,०००-००	लॉकर डिपॉझीट	५,०००-००	
२५,५४३-००	टेलिफोन डिपॉझीट	२५,५४३-००	
२५,०००-००	इमारत भाडे डिपॉझीट	२५,०००-००	
६०-००	वडगांव नगरपरिषद डिपॉझीट	६०-००	
६०,५८०-००	सरकारी भरणा अॅडव्हान्स	५१,७६०-००	
१,६७,३०८-००	येणे टीडीएस (बँक व्याज)	३०,५५३-००	
६,७९,८७१-८४	येणे टीडीएस (एमएसईबी)	७,४२,७०२-३०	
---	येणे टीडीएस (कॅश)	९,७९,८९४-७२	
४,८५,४८१-२२	येणे सीजीएसटी	५,३०,९८५-३३	
४,८५,४८०-९५	येणे एसजीएसटी	५,३१,२२८-९७	
४,२९,२५३-२६	महावितरण येणे कमिशन	२,४३,०१३-३१	
३,५७५-००	ग्रामपंचायत डिपॉझीट	३,५७५-००	
---	इमारत बांधकाम अॅडव्हान्स	१,०२,३७५-८७	
३,४०,२६,४०१-१७	**स्थावर व कायम मालमत्ता**		३,४०,४९,०२४-१९
१,२३,३३,५६५-००	जागा खरेदी	१,२३,३३,५६५-००	
१,१३,१६,६००-००	इमारत	१,१३,१६,६००-००	
९,३८,३००-००	लॉकर	९,३८,३००-००	
५२,८७,०११-३१	फर्निचर डेडस्टॉक	५३,६५,३२६-४४	
८,४१,०८७-००	लाईट फिटींग	८,४१,०८७-००	
१४,००,९३९-००	इंटेरियर	१४,१३,४३९-००	
९०२-००	लायब्ररी	१,७२६-००	
२,८१,२८९-००	वाहन	२,३५,६०६-००	
१६,१२,६२०-६६	मशिनरी	१५,८९,३७४-७५	
१४,०००-००	बोअरपंप	१४,०००-००	
७,१४,८५०-५१	**शिल्लक प्रिंटींग स्टेशनरी**		६,८९,४१४-५१
५८,८९,२४३-००	गुंतवणूकीवरील **येणे व्याज**		७७,०९,१६६-००
७,८९,२६०-८८	**दुध विभाग**		४,०२,३५१-९१
१,२७,०१,६४,४९३-४४	एकूण		१,४९,३३,००,८३७-०६

शेलारजी शि. सूर्यवंशी

विलास कुं. सणगर

2021-22

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

सन २०२१-२०२२ चा

४६ वा वार्षिक अहवाल

दि. ३१-३-२०२२ अखेरचे

सन ३१-०३-२०२१ रुपये पैसे	भांडवल व देणी	रुपये पैसे	सन ३१-०३-२०२२ रुपये पैसे
२,४०,००,०००-००	अधिकृत भाग भांडवल		२,४०,००,०००-००
१३,०१,३४०-००	शेअर भांडवल		१,८६,७१,३७०-००
४१,३६२-९५	फंडस		४,८७,६७,७४५-३१
२५,३६७-१५	रिझर्व्ह	१,४८,४१,५५०-७३	
१,३३०-००	सार्वजनिक कल्याण	१,३३०-००	
२२,०००-००	सार्वजनिक धर्मादाय	९,७२,०००-००	
२४,५६७-८०	एन पी ए व थकव्याज तरतूद	२,४१,६७,६२७-५१	
४९,२१०-००	इमारत	६८,३५,२३७-५५	
२६,७६८-००	लाभांश समकरण	---	
५०,०००-००	सुवर्ण महोत्सव निधी	९,५०,०००-००	
१,४१,२१,९४,५१७-४३	ठेवी		१,५८,४७,३१,३७६-९१
८,३६,६९,३०९-८९	सेव्हिंग्ज	८,१३,२६,६०४-२९	
४,२२,४६,६३७-००	जयभवानी अल्पबचत	३,८७,४९,३५२-००	
१४,८१,६३,७९८-००	कॉल डिपॉझीट	१४,२८,९५,७४२-००	
६,२१,०५,७३७-००	अल्पमुदत	५,८७,१५,५१६-००	
९१,३८,१८,५०५-००	मुदतबंद	१,०५,८०,१६,३९९-४८	
८,५६,२८,३१७-००	दामदुप्पट	८,७७,१७,९०५-००	
१,५२,१०,११५-००	रिकरींग	१,६७,७८,८३५-००	
१,६७,०९,५२०-००	धनकुंभ	१,६७,८७,४०३-००	
१,७४,२८,१८१-००	जयभवानी सुवर्ण ठेव	२,४९,०५,३४४-००	
७५०-००	दामतिप्पट	७५०-००	
६,७१,०००-००	लॉकर	७,२३,०००-००	
३४,०८,१०७-००	पुनर्गुंतवणूक	३३,५९,७२८-००	
२,८७,०६,५६६-००	लखपती	२,८७,२६,६९२-००	
६४,३९९-००	जयभवानी लक्षाधिश	६४,३९९-००	
२,०४,६०३-००	कुमारबचत	१,९७,५२०-००	
१,८३,११,११५-००	जयभवानी कर्जकपात	२,३७,८३,६८२-००	
११,६५,६१७-५८	चालू खाते	१९,८२,५८५-१४	
१,४७,४३,४७,३००-३८	बेरीज पुढील पानावर		१,६५,२१,७०,४९२-३०

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

सन २०२१-२०२२ चा

४६ वा वार्षिक अहवाल

ताळेबंद पत्रक नं. २

सन ३१-०३-२०२१ पैसे	जिंदगी व येणी	रुपये पैसे	सन ३१-०३-२०२२ रुपये पैसे
३४,९५८-००	**रोख शिल्लक**		६७,४३,२२७-११
०८,५४०-५६	**बँक शिल्लक**		४,८८,८९,१७१-३०
३१,९२२-००	**बँकातील कॉल व मुदत ठेव**		२२,८१,९३,३३३-००
४०,६४८-००	**गुंतवणूक**		४,६९,१४,०६४-००
,०००-००	को जि म बँक शेअर्स	४,०१,०००-००	
१,०००-००	शेतकरी सहकारी संघ शेअर्स	१,०००-००	
१,०००-००	को. जि. पतसंस्था फेडरेशन शेअर्स	१,०००-००	
३,०००-००	महाराष्ट्र राज्य पत. फेडरेशन शेअर्स	३,०००-००	
५,०००-००	म. फुले मा.शे.वि.सह.सुत गि. लि	५,०००-००	
४२,५८,७८१-००	बिनपरतीचे राखीव निधी	५२,५८,७८१-००	
२०,७५६-००	रिझर्व्ह फंड गुंतवणूक	१,०५,८२,७६९-००	
२०,०००-००	म. रा. सह. पतसंस्था फेड. सुरक्षा ठेव	२०,०००-००	
९,२२,०००-००	सार्वजनिक धर्मादाय निधी गुंतवणूक	९,४६,३२४-००	
३,२६,७६८-००	लाभांश समकरण निधी गुंतवणूक	---	
१०,२४,०००-००	म.रा.वि.मंडळ विज बिल वसुली	१०,२४,०००-००	
८,५०,०००-००	सुवर्णमहोत्सव निधी	---	
१,५८,६१,२३७-००	एन.पी.ए. तरतुद निधी	२,१८,३५,८५३-००	
३४,३९,१०६-००	इमारत निधी गुंतवणूक	६८,३५,२३७-००	
---	बुलढाणा अर्बन को-ऑप. सोसा. शेअर्स	१००-००	
१,१२,३१,९६,६३५-४१	**कर्जे**		१,२४,६७,८०,७४४-१८
१,३४,१७,१०७-०७	जामिनकी	१२,९९,९३७-९०	
६८,७३,८९४-००	अल्पबचत तारण	५०,०३,५५३-००	
६,८०,४६,६९६-५०	सोनेतारण	६,९०,६४,७६०-००	
३१,७२,२६,१०८-७०	कॅशक्रेडिट	४०,३५,८३,५०१-९६	
१,१०,८३,०९१-६७	वाहनतारण	४,६०,४५,७६२-४०	
६,८१,९६,०२९-००	अल्पमुदत ठेवतारण	५,९४,७४,६२७-००	
११,२९,१५४-००	नजरगहाण	१९,१५,१९९-००	
३१,९१,६३,३४८-६०	स्थावरतारण	३५,५५,७७,९१८-०४	
८,६४,२९,२३८-९१	पगारतारण	८,९५,०६,४३२-९८	
८,२७,६२१-००	दीर्घमुदत ठेवतारण	५६,८७,३३३-००	
१४,४०,२२,२४१-८०	तारण कॅशक्रेडिट	१७,८१,९७,५६६-००	
१,०७,८२,११४-२४	पिग्मी तारण कर्ज	२,७४,२४,५५२-९०	
			१,५७,७४,५०,५३४-५१
१,४०,९२,२४,९०४-०५	बेरीज पुढील पानावर		

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

सन २०२१-२०२२ चा

४६ वा वार्षिक अहवाल

| दि. ३१-३-२०२२ अखेरचे |

सन ३१-०३-२०२१ रुपये पैसे	भांडवल व देणी	रुपये पैसे	सन ३१-०३-२०२२ रुपये पैसे
१,४७,४३,४७,३००-३८	मागील पान बेरीज		१,६५,२९,७०,४९२-३०
५३,२९,४८५-३३	**इतर देणी**		५५,५३,६२९-११
१,८२,९०४-०५	अनामत	१३,११,८३०-०५	
१४,०६,७०२-९७	डिव्हीडंड	१९,०९,५३१-३२	
२,९९,९७०-००	देणे भविष्यनिधी	३,१२,९६८-००	
२१,१९४-००	देणे टी डी एस	२२,३१४-००	
४५,९७४-००	नोकरविमा	४३,०५२-००	
२२,८२,७४०-००	महावितरण कंपनी	८,६१,३४४-००	
१,५७,२८९-००	देणे लवाद खर्च	१,५७,१६४-००	
६७,८९३-०७	देणे एस जी एस टी	२८,५५३-३७	
६७,८९३-०८	देणे सी जी एस टी	२८,५५३-३७	
५,८३०-००	देणे टेलिफोन बिल	४,७००-००	
७,००,०००-००	ऑडिट फी	८,२५,०००-००	
२०,५००-००	देणे लाईट बिल	२१,०००-००	
११,५००-००	देणे प्रशिक्षण फी	२५,११९-००	
१५,०००-००	देणे जीएसटी फायलिंग फी	---	
३३,५९५-१६	देणे जी एस टी	---	
२,५००-००	देणे संस्था व्यवसाय कर	२,५००-००	
९२,५७,४३४-००	**देणे व्याज ठेवीवरील**		**१,०३,०९,८२६-००**
४३,६६,६१७-३५	**निव्वळ नफा**		**४८,२३,९९७-७१**
१,४९,३३,००,८३७-०६	एकूण		१,६७,२८,५७,९४५-१२

राजकुमार मु. पोळ
मुख्य कार्यकारी अधिकारी

सुरेश बा. गणपते
लोकल ऑडिटर

| ताळेबंद पत्रक नं. २ |

२०२१ पैसे	जिंदगी व येणी	रुपये पैसे	सन ३१-०३-२०२२ रुपये पैसे
४०४-०५	मागील पान बेरीज		१,५७,७४,५०,५३९-५१
९६-३२	**इतर येणी**		४,०७,५७,९८४-३०
८७	इमारत बांधकाम अॅडव्हान्स	---	
२८-८२	धककर्ज येणे व्याज	३,६७,२४,४०६-८२	
६०-००	लाईट डिपॉझीट	४७,४६०-००	
५४३-००	टेलिफोन डिपॉझीट	२५,५४३-००	
०००-००	इमारत भाडे डिपॉझीट	१,२५,०००-००	
६०-००	वडगाव नगरपरिषद डिपॉझीट	६०-००	
३,५७५-००	ग्रामपंचायत डिपॉझीट	३,५७५-००	
७६०-००	सरकारी भरणा अॅडव्हान्स	५१,७६०-००	
५५३-००	येणे टिडीएस बँक व्याज	५३,३९२-००	
०९३-३१	महावितरण येणे कमिशन	२,६८,१६३-११	
४२,७०२-३०	येणे टीडीएस (एमएसईबी)	७,४२,७०२-३०	
४,३०,९८५-३३	येणे सीजीएसटी	३७,६०३-३३	
३१,२२८-९७	येणे एसजीएसटी	३७,६०३-३४	
६,७१,८९४-७२	येणे टीडीएस (कॅश)	११,०६,२६७-६२	
---	एम एस ई बी. वडगाव न. पा. गाळा	११,८८०-००	
---	वडगाव न. पा. गाळे डिपॉझिट	१,८०,५००-००	
---	येणे टिडीएस (कर्ज व्याज बँक)	३,६६,०४३-००	
---	फर्निचर डेडस्टॉक अॅडव्हान्स	९,६०,२२४-७८	
५,०००-००	लॉकर डिपॉझीट	५,०००-००	
३,४०,४१,०२४-१९	**स्थावर व कायम मालमत्ता**		४,४४,४६,९८४-७३
१,२३,३३,५६५-००	जागा खरेदी	१,२३,३३,५६५-००	
१,९३,१६,६००-००	इमारत	२,२४,८१,७५७-१५	
९,३८,३००-००	लॉकर	९,३२,८११-००	
४३,६१,३२६-४४	फर्निचर डेडस्टॉक	५०,३४,५२८-५३	
८,४१,०८७-००	लाईट फिटींग	७,६२,३८०-००	
१४,५३,८३१-००	इंटेरियर	१२,७४,४०७-००	
१,७२६-००	लायब्ररी	१,२९५-००	
२,३५,६०६-००	वाहन	१,८८,४०७-००	
५५,८१,३७४-७५	मशिनरी	१४,६१,८६६-०५	
१४,०००-००	बोअरपंप	१२,६००-००	
६,८१,४१४-५१	**शिल्लक प्रिंटींग स्टेशनरी**		६,११,७७६-५०
७७,०१,१६६-००	**गुंतवणूकीवरील येणे व्याज**		१४,०२,१६०-००
४,०२,३५१-११	**दुध विभाग**		---
१,४१,३३,००,८३७-०६	एकूण		१,६७,२८,५७,१५५-१२

शेलारजी शि. सुर्यवंशी

विलास कुं. सणगर

2022-23

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

सन २०२२-२०२३ चा

४७ वा वार्षिक अहवाल

दि. ३१-३-२०२३ अखेरचे

०३-२०२२ पैसे	भांडवल व देणी	रुपये पैसे	सन ३१-०३-२०२३ रुपये पैसे
[illegible] ०००-००	**अधिकृत भाग भांडवल**		२,५०,००,०००-००
[illegible] ७१,३००-००	**शेअर भांडवल**		२,९४,७८,३८०-००
[illegible] ६७,७८५-३९	**फंडस**		५,२८,२४,६९९-९६
[illegible] ५५०-८३	रिझर्व	१,७६,३९,६२६-३९	
४,३३०-००	सार्वजनिक कल्याण	---	
[illegible] ०००-००	सार्वजनिक धर्मादाय	९,७२,०००-००	
[illegible] ६२७-५१	एन पी ए व थकव्याज तरतूद	२,६२,२७,८३६-२२	
[illegible] ३४,२३७-९५	इमारत	७०,३५,२३७-९५	
९,५०,०००-००	सुवर्ण महोत्सव निधी	९,५०,०००-००	
[illegible] ८७,३१,३७६-९१	**ठेवी**		१,९८,०५,१०,१०२-००
[illegible] ९३,२६,६०४-२९	सेव्हिंग्ज	९,०३,५९,८७३-७१	
[illegible] ४९,३५२-००	पिग्मी	४,४१,९९,७४९-००	
[illegible] ९४,७४२-००	कॉल डिपॉझिट	१३,९९,३८,९४३-००	
[illegible] ९४,११६-००	अल्पमुदत	९,८७,६२,६०२-००	
[illegible] ९६,३९९-४८	मुदतबंद	१,३७,४२,७१,१०७-४८	
[illegible] १७,९०५-००	दामदुप्पट	९,८४,९८,४९१-००	
[illegible] ७८,८३५-००	रिकरींग	१,६१,५६,४२५-००	
[illegible] ८७,४०३-००	धनकुंभ	१,७८,३९,५४९-००	
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श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगाव

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४७ वा वार्षिक अहवाल

ताळेबंद पत्रक नं. २

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पुढील पानावर

श्री जयभवानी अर्बन को-ऑप. क्रेडिट सोसायटी लि., पेठ वडगांव

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४७ वा वार्षिक अहवाल

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राजकुमार प. पोळ

| ताळेबंद पत्रक नं. २ |

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A

PROJECT REPORT

ON

A STUDY ON PROFITABILITY ANALYSIS IN AUTOMOBILE COMPANY WITH SPECIAL REFERENCE TO SHIBE AUTO KAGAL PVT LTD [SUB-DEALERSHIP] (SUZUKI) KAGAL, KOLHAPUR.

SUBMITTED TO

VIVEKANAND COLLEGE (EMPOWERED AUTONOMOUS),
KOLHAPUR

FOR THE PARTIAL FULFILLMENT OF THE DEGREE OF

MASTER OF COMMERCE

BY

MR. VEDANG MAITREYA BHAGWAT

(B.com)

UNDER THE GUIDANCE OF

MR. SUNNY S. KALE

(M.com,MBA,NET,SET,M.phil)

DEPARTMENT OF COMMERCE,

VIVEKANAND COLLEGE (EMPOWERED AUTONOMOUS),
KOLHAPUR.

Checked

08/07/24

2023 - 24

DECLARATION

I, the undersigned, hereby declare that the project report entitled **"A STUDY ON PROFITABILITY ANALYSIS IN AUTOMOBILE COMPANY WITH SPECIAL REFERENCE TO SHIBE AUTO KAGAL PVT LTD [SUB-DEALERSHIP] KAGAL, KOLHAPUR."** is written and submitted by me under the guidance of Assistant Professor Mr. **SUNNY S. KALE.** The information given in this report is based on the data collected by me during the course of the project and is not submitted earlier or this year for a similar purpose to Vivekanand College (Empowered Autonomous), Kolhapur or any other university. I undersign for such copying is liable to be punished in any way the university authorities deem fit.

Date: 06/07/2024

Place: Kolhapur

VMB

MR. VEDANG MAITREYA BHAGWAT

CERTIFICATE BY CO - ORDINATOR

This is to certify that the project entitled **"A STUDY ON PROFITABILITY ANALYSIS IN AUTOMOBILE COMPANY WITH SPECIAL REFERENCE TO SHIBE AUTO KAGAL PVT LTD [SUB-DEALERSHIP] KAGAL, KOLHAPUR."** submitted by **MR. VEDANG MAITREYA BHAGWAT** in partial fulfilment of the degree leading to **"MASTER OF COMMERCE."** submitted to Vivekanand College (Empowered Autonomous), Kolhapur has been completed under the guidance and supervision of Professor **Mr. SUNNY S. KALE**, Vivekanand College, Kolhapur. To the best of my knowledge and belief, the project work and matter presented herein is original and has not been copied by any other source. Also, this report has not been submitted earlier for the award of any degree or diploma of Vivekanand College (Empowered Autonomous) or any other university.

Date: 06/07/2024

Place: Kolhapur

Mr. SUNNY S. KALE,

Co-ordinator,

Head of Department of Commerce,

Vivekanand College, Kolhapur

CERTIFICATE BY GUIDE

This is to certify that the project entitled **"A STUDY ON PROFITABILITY ANALYSIS IN AUTOMOBILE COMPANY WITH SPECIAL REFERENCE TO SHIBE AUTO KAGAL PVT LTD [SUB-DEALERSHIP] KAGAL, KOLHAPUR."** submitted by **MR. VEDANG MAITREYA BHAGWAT** in partial fulfillment of the degree leading to **"MASTER OF COMMERCE."** submitted to Vivekanand College (Empowered Autonomous) Kolhapur has been completed under the guidance and supervision of Professor **Mr. SUNNY S. KALE**, Vivekanand College, Kolhapur. To the best of my knowledge and belief, the project work and matter presented herein is original and has not been copied by any other source. Also, this report has not been submitted earlier for the award of any degree or diploma of Vivekanand College (Autonomous) or any other university.

Date: 06/07/2024

Place: Kolhapur

Mr. SUNNY S. KALE

(Project Guide)

Vivekanand College, Kolhapur.

ACKNOWLEDEMENT

I have great pleasure in presenting this project work entitled **"A STUDY ON PROFITABILITY ANALYSIS IN AUTOMOBILE COMPANY WITH SPECIAL REFERENCE TO SHIBE AUTO KAGAL PVT LTD [SUB-DEALERSHIP] KAGAL, KOLHAPUR."**

I take this opportunity to express sincere appreciation and deep sense of gratitude to my research guide **Mr. Sunny S. Kale,** Head of Department of Commerce, Vivekanand College (Empowered Autonomous), Kolhapur for their whole hearted co-operation, valuable guidance and perpetual encouragement, which had a great influence in bringing this research project to a success. I remain ever indebted to them for the keen interest shown and moral support offered all through pursuance of this work.

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Date: 06/07/2024

Place: Kolhapur

MR. VEDANG MAITREYA BHAGWAT

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V	**FINDING, SUGGESTION AND CONCLUSION** *This Chapter covers introduction findings drawn from the data analysed, suggestions, Strategic Recommendation and conclusion.*	54-56

1.1 INTRODUCTION

PROFILE OF WELL KNOWN MOTORCYCLE COMPANY

There are lots of motorcycle Companies in India or motorcycle brands in India some Deals in consumer moped motorcycle segments or some Deals in Luxury/Sports motorcycle.

In India, the automotive industry changes very fast. Several phases have come in the automotive Field. For Example, The Whole Automotive industry shifted from BS4 to BS6 Emission norms in 2020.

With Changes in era's of Automotive Industries Several Technologies has been invented.

Hero, Bajaj Auto Limited, TVS Motor Company, Royal Enfield, Mahindra Two-Wheelers, Escort Group, and API are the largest manufacturer of motorcycles in India. Their reputations even go beyond India's boundaries to reach experienced riders from various countries in the world.

1. Hero

Half of the Indian motorcycles are produced by Hero, which is a testament of how successful the brand is.

To put things in perspective, the brand sold 7.5 million models in 2018 in India alone. Meanwhile, Yamaha Motors distributed 5 million globally, and Triumph (Britain's largest brand) did not even reach 65,000 units per year.

Despite these remarkable achievements, Hero Bikes turned out to be quite a young company, starting in 1984 as a part of the Honda-Indian Hero operation (which partly explains why some people call it Hero Honda).

2. Bajaj

Bajaj is another big name that shakes the entire Indian bike world by storm!

Like Hero (and most manufacturers on our list), Bajaj initially focused on small-capacity, gasoline-powered bikes for its domestic markets. But soon, the impressive sales encouraged the company to seek international partnerships and cater to the increased hunger of European cyclists and bike enthusiasts.

Through its long-standing joint venture with KTM – and the subsequent developments of RC and Duke base models – Bajaj has successfully found its footing in the Europe market.

The bikes and scout bobbers are manufactured in India before being distributed to the world (India included, of course).

In recent years, Bajaj also announced joint automotive ventures with Triumph and planned to pool higher funds for mid-range capacity bikes. These dark horse beasts are part of Bajaj's long-term plan to enter deeper into the European market, let's see how it turns out for the brand

3. TVS

TVS is another Indian success case, garnering positive sales and feedback from its home country and other global markets. Its iconic models are manufactured and assembled in India, before being distributed to German, U.S., and more via local representatives.

Out of all TVS models currently in production, the TVS RR 310 Apache – a mini superbike that uses single-cylinder, 312 engine options from BMW – remains the best seller, costing roughly $3100.

4. Royal Enfield

Royal Enfield's origin is actually British, as it was founded in 1901 in Redditch.

Royal Enfield joined hands with Madra Motor in 1955 to build the famous 350cc Bullet models from England-imported kits. Despite being initially tailored for military and police use, the bike was a huge success in India, never leaving the best-seller spot for months.

To cater to the country's increasing demands, Bullet started using 100% Indian components in the 1960s – and remains so until today. A few years later, after deliberate negotiations, Royal Enfield was officially owned by Eincher Motors – a reputed flagship automobile company in India.

4. Mahindra

Mahindra's first sparks of international fame started in 2011-2017 Moto3 racing. Despite being stuck under the huge shadows of KTM and Honda, Mahindra managed to leave some impression by bringing home three 2015 podiums and three 2016 wins.

Most of the brand's models are basic, standard models designed for daily Indian transport. Still, to cater to international demands, Manhindra does offer some upmarket offerings with the help of its overseas partnerships; cases in point include French Peugeot, BSA, and Jawa.

Aside from motorcycles, Mahindra also sets its vision on building bicycles, cars, tractors, and even planes. Car enthusiasts must have been familiar with the critically-acclaimed Pininfarina house (owned by Mahindra Group), which is behind the world's most gorgeous and exotic cars

5. Escorts Group

A multinational company in India, Escorts Group was mainly recognized for its railway/material handling and agri-machinery construction back in earlier days.

The motorcycle division has only been established since 1960 but garnering massive success nonetheless, thanks to the high-performance 175cc Indian lineups.

Since 1960, Escort has also been taking charge of Yamaha bike production in India. Some notable models are the Rajdoot 350 (1981) and RX 100 (1984).

AND Finally to the producer of our sub dealer

6. Suzuki Motorcycle India Limited

Suzuki Motorcycle India, Private Limited (SMI) is the wholly owned Indian subsidiary of Suzuki, Japan. It was the third Suzuki automotive venture in India, after TVS Suzuki (1982–2001) and Maruti Suzuki (1982). In 1982, the joint-venture between Suzuki Motor Corporation and TVS Motor Company incorporated and started production of two wheelers in India. In 2001, after separating ways with TVS motor company, the company was re-entered as Suzuki Motorcycle India, Private Limited (SMI), in 2006. The company has set up a manufacturing facility at Gurgaon, Haryana with an annual capacity of 5,40,000 units.

Vehicles

Motorcycles

- Gixxer 155
- Gixxer SF 155
- Gixxer 250
- Gixxer SF 250
- V-Strom 250 SX
- V-Strom 800 DE

Scooters

- Access 125
- Access 125 SE
- Burgman Street
- Avenis 125 (In Black, Blue and Green Colour)

Sports bikes

- Hayabusa GSX 1300R
- V-Strom 650 XT
- Katana

Discontinued

Scooters

- Suzuki Swish
- Suzuki Let's

Motorcycles/sports bikes

- Suzuki GS150R
- Suzuki Intruder 155
- Suzuki Hayate 110
- Suzuki Heat 125
- Suzuki Inazuma 250
- Suzuki Slingshot 125
- Suzuki Zeus 125
- GSX-S1000F ABS
- GSX-R1000 ABS
- GSX-S1000 ABS
- Intruder M1800R

PROFILE OF SUZUKI COMPANY

HISTORY OF SUZUKI AUTOMOTIVE

In 1909, Michio Suzuki (1887–1982) founded the Suzuki Loom Works in the small seacoast village of Hamamatsu, Japan. Business boomed as Suzuki built weaving looms for Japan's giant silk industry. In 1929, Michio Suzuki invented a new type of weaving machine, which was exported overseas. The company's first 30 years focused on the development and production of these machines.

Despite the success of his looms, Suzuki believed that his company would benefit from diversification and he began to look at other products. Based on consumer demand, he decided that building a small car would be the most practical new venture. The project began in 1937, and within two years Suzuki had completed several compact prototype cars. These first Suzuki motor vehicles were powered by a then-innovative, liquid-cooled, four-stroke, four-cylinder engine. It had a cast aluminum crankcase and gearbox and generated 13 horsepower (9.7 kW) from a displacement of less than 800cc.

By 1954, Suzuki was producing 6,000 motorcycles per month and his company had officially changed its name to Suzuki Motor Co., Ltd. Following the success of his first motorcycles, Suzuki created an even more successful automobile: the 1955 Suzuki Suzulight. The Suzulight sold with front-wheel drive, four-wheel independent suspension and rack-and-pinion steering, which were not common on cars until three decades later.

1967: Thailand gets the first motorcycle assembly plant outside Japan, creating Thai Suzuki Motor Co., Ltd.Automobile plant built in Iwata, Shizuoka, Japan.Debut of Fronte 360cc, two-stroke minivehicle.

1968: After a winning 1967 season, the Suzuki motorcycle race team withdraws from World Grand Prix due to changes in FIM rules. Hans-Georg Anscheidt rides a 1967 machine in 1968 as a privateer, for the seventh season of Suzuki GP championships Introduction of Carry Van 360cc, two-stroke minivan with a full cab over design Launch of T500 motorcycle with an air-cooled parallel-twin 500cc engine, the largest displacement of any two-stroke at the time.

1969: Motorcycle plant built in Oyabe, Toyama, Japan.

1971: Production plant for medium to large motorcycles is built in Toyokawa, Aichi, Japan.

GT750 motorcycle debuts with a liquid-cooled two-stroke straight-three engine.Suzuki's production motocrosser, the TM400, arrives to participate in 500cc class Motocross World Championship racing.Suzuki rider Roger De Coster becomes the 500cc class World Motocross Champion on his 396cc RN71 factory machine, while teammate (and fellow Belgian) Joel Robert becomes 250cc class champion.

1972: Suzuki Parts Manufacturing Company, Ltd., is established in Akita Prefecture, Japan.

The Hustler 400 (TS400) motorcycle released as a street version of the TM400.

1973: Jitsujiro Suzuki appointed as president, and Shunzo Suzuki appointed as chairman.

Canadian subsidiary set up in North York, as Suzuki Canada Ltd., to supply machines and parts to motorcycle dealers in Canada.

1976: GS Series motorcycles released, the GS750 and GS400 are the first four-stroke machines from Suzuki in 20 years.

1994: Aggregate sales of Suzuki cars in Japan reach 10 million units.

Maruti Udyog of India aggregate car production reach 1 million units.Suzuki and Isuzu Motors Ltd. agree to dissolve their business tie-up.

1997: Suzuki goes to the International Court of Arbitration over the Indian government's appointment of a senior executive at Maruti Udyog Ltd.

1998: Suzuki and the Indian government settle their dispute over the Indian government's appointment of a senior executive at Maruti Udyog Ltd.

2005: Aggregate car production at Maruti Udyog Ltd. reaches 5 million units, and aggregate motorcycle production in Indonesia also reaches 5 million units.

2007:Company says that Maruti Suzuki will build the A-Star compact hatchback in India for export worldwide.

Bike India Awards 2022

Premium Motorcycle of the Year: Suzuki Hayabusa

This year's winner in the premium motorcycle category was the legendary Suzuki Hayabusa. Back in its third iteration, this epic motorcycle is better than ever before. Clever electronics, smooth power delivery, and a firecracker of an engine are but a few of its merits. In addition to offering the thrills that the Hayabusa is known for, Suzuki have also done a remarkable job with the styling. The new motorcycle is distinctly different from the model it replaces, yet it has certain trademark elements that cannot be mistaken for anything else but a Hayabusa. The latest motorcycle is powered by a 1,340-cc in-line four-cylinder engine and supplemented by the safety of electronics. In addition to the motorcycle's heritage, performance, and long list of capabilities, Suzuki's pricing has also made a positive impact on the new Hayabusa's popularity.

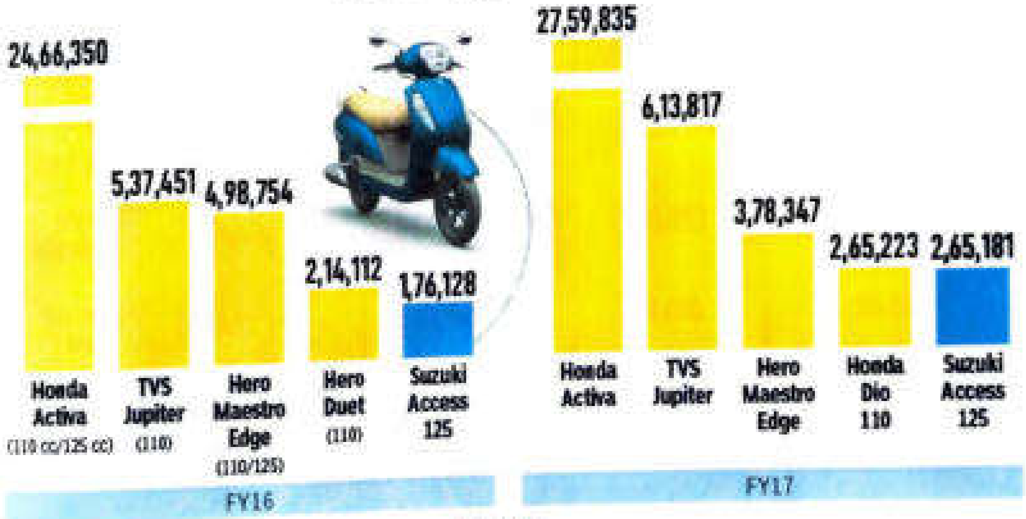
Suzuki Access steps to success

How 'kam peeta hai' propelled Suzuki Access 125 to number 2 in the pecking order

From a distant Number 5 in 2015, Suzuki Access 125 toppled TVS Jupiter to become the second-biggest scooter brand in India. Can it now take the crown from the formidable Honda Activa?

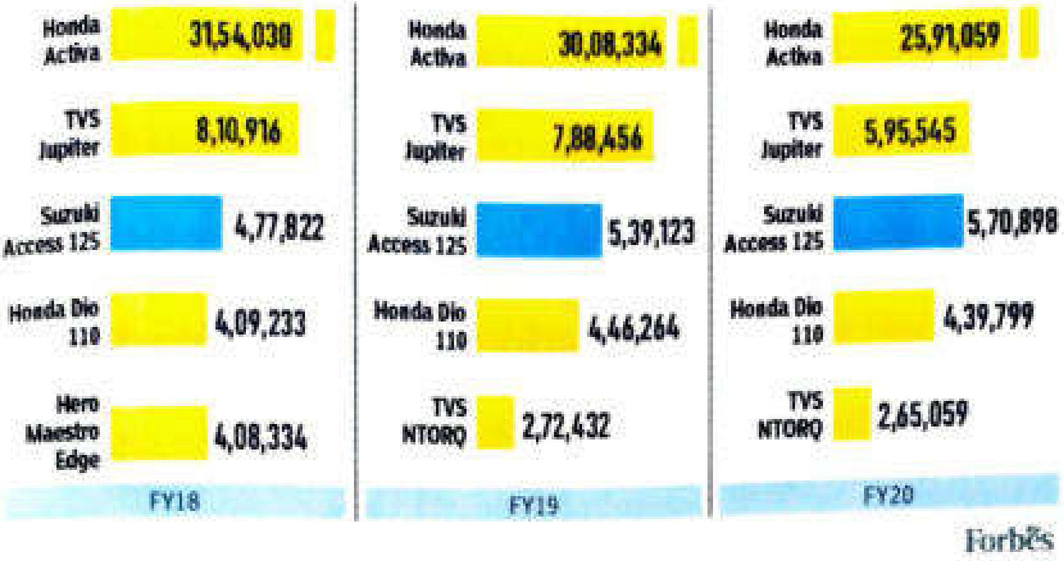
HOW ACCESS 125 PICKED UP SPEED (Units sold)

From a laggard till FY16...



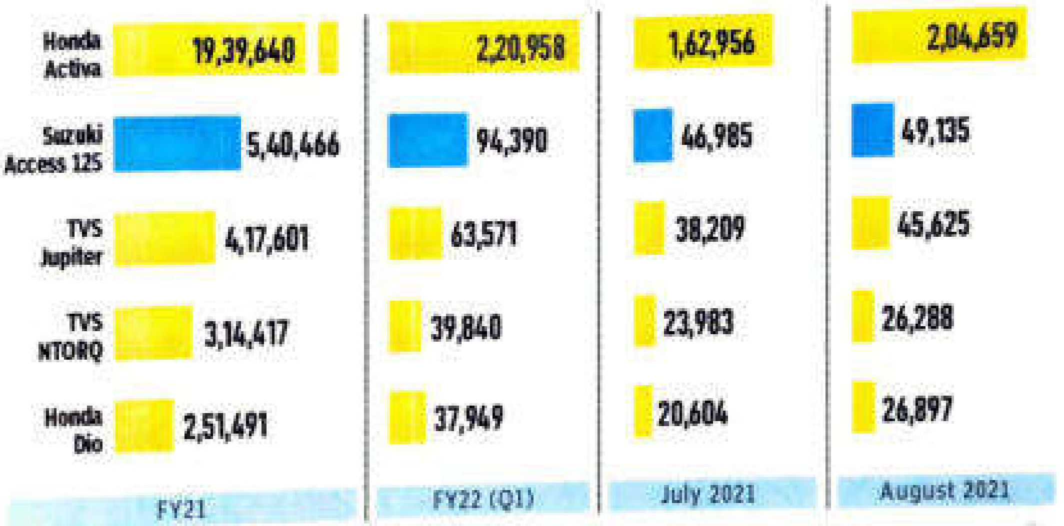
Forbes

...to breaking into the top three in FY18...



Suzuki access 125 became 2nd biggest 2 wheeler in terms of units sold

...to pipping TVS Jupiter to become second-biggest in FY21



Source: Industry officials quoting SIAM data

OBJECTIVES OF PROJECT

1. To analyse overall profitability of Shibe Auto Kagal Private Limited (Suzuki Pvt Ltd) over the last four years.

2. To study the trend of profit of Shibe Auto Kagal Private Limited (Suzuki Pvt Ltd) fot the four years.

3. Achieve the overall financial position of the company.

RESEARCH METHODOLOGY

Research methodology is done to solve the research problem involving a study of various steps that are adopted by researcher in studying his problem. This chapter aims to understand the research methodology establishing a framework of evaluation and revaluation of primary and secondary research.

Sources of Data Collection - Researcher has used primary data as well as secondary data for the present study.

1. **Primary Data** - Researcher has collected the primary data from director of Shibe Auto Kagal pvt. Ltd. using observation, direct interview, questionnaire method.
2. **Secondary Data** - Researcher has collected necessary information from books, magazines, articles, periodicals, newspaper, research papers, internet and different websites.

A. **Research Design**- Researcher has used analytical research methodology adopted for carrying out study was at first stage. Theoretical study is also attempted. In the second stage researcher has observed the profitability analysis of SHIBE AUTO KAGAL PVT LTD, Kolhapur.

B. **Data Analysis** – For the analysis of data researcher will use Microsoft word, Ms - Excel, Graph, etc.

C. **Data Presentation** – For the presentation of data researcher will use table and graph and below the table researcher will interpret the data.

E. **Parameters of the study** –

1. Overall profitability
2. Profit Trend
3. Overall Financial Position.

SCOPE OF STUDY

1. Topical Scope

The scope of study is limited as categorically in the title of project i.e. A Study of Profitability Analysis in Automobile industry with special reference to Shibe Auto kagal Pvt Ltd., kagal, Kolhapur.

2. Geographical Scope

Shibe Auto kagal Pvt Ltd. Is the sub dealership located at Kagal and covers mainly the geographical area of Kolhapur District.

3. Periodical scope

To examine the profitability of the Shibe Auto Kagal Pvt Ltd company for the year 2019-2022

4. Analytical Scope

The study under this project is limited only to the following ratios as under-

- Gross Profit ratio
- Net Profit ratio
- Operating ratio
- Operating Profit ratio
- Return on Capital
- Return on Asset
- Return on Networth
- Current ratio

LIMITATIONS OF STUDY

Ratio analysis is one of the important techniques of determining the performance of financial strength and weakness of a firm. Though ratio analysis is relevant and useful technique for the business concern, the analysis is based on the information available in the financial statements. There are some situations, where ratios are misused; it may lead the management to wrong direction. The ratio analysis suffers from the following limitations:

1. Ratio analysis is used on the basis of financial statements. Number of limitations of financial statements may affect the accuracy or quality of ratio analysis.

2. Ratio analysis heavily depends on quantitative facts and figures and it ignores qualitative data. Therefore this may limit accuracy.

3. Ratio analysis is a poor measure of a firm's performance due to lack of adequate standards laid for ideal ratios.

4. It is not a substitute for analysis of financial statements. It is merely used as a tool for measuring the performance of business activities.

5. Ratio analysis clearly has some latitude for window dressing.

6. It makes comparison of ratios between companies which is questionable due to differences in methods of accounting operation and financing.

7. Ratio analysis does not consider the change in price level, as such; these ratios will not help in drawing meaningful inferences.

8. All the information used in ratio analysis is based on historical numbers only. These data are drawn from historical actuals and by no means will remain the same in the future as business performance changes with every passing time.

9. When we compare period wise numbers for trend analysis, and if the inflationary rate has changed in between the periods, the comparison makes no sense. Ratio analysis does not account for inflation factor at all.

10. A business can go drastic changes in its operations due to certain unexpected needs, and thus using the data of the past and making a judgement based on that does not give fruitful conclusion.

11. Some ratio pick numbers from the balance sheet, which is prepared only on accounting period's last day. Thus if there is any sudden shoot or decline in numbers pertaining to last day of accounting period, it can drastically impact the overall ratio analysis.

12. Ratio analysis can be misleading at times because elements from profit and loss statement are based on actual cost whereas elements from balance sheet are based on historical.

2.1 REVIEW OF LITERATURE

1.Sharma Nishi (2011) studied the financial performance of passenger and commercial vehicle segment of the automobile industry in the terms of four financial parameters namely liquidity, profitability, leverage and managerial efficiency analysis for the period of decade from 2001-02 to 2010-11. The study concludes that profitability and managerial efficiency of Tata motors Mahindra & Mahindra ltd as well as Suzuki motorcycle pvt ltd are satisfactory but their liquidity position is not satisfactory. The liquidity position of commercial vehicle is much better than passenger vehicle segment.

2. Zafar S.M. Tariq & Khalid S.M(2012) the study explore that ratios are calculated from financial statements which are prepared as desired policies adopted on depreciation and stock valuation by the management. Ratio is simple comparison of numerator and a denominator that cannot produce complete and authentic picture of business are manipulated and also may not highlight other factors which affect performance of firm by promoters.

3. Dawar Varun (2012) study to analyse the effect of various fundamental corporate policy variables like dividend, debit, capital expenditure on stock prices of automobile companies of India. The study trends that dividend &investment policy are relevant and capital structure irrelevant to stock prices.

4. HotwaniRakhi (2013) the author examines the profitability position and growth of company in light of sales and profitability of Tata motors for past ten years. Data is analysed through rations, standard deviations and coefficient of variance. The study reveals that there not exist a strong relationship between sales & profitability of company.

5. Dhole Madhavi (2013) Investing the impact of price movement of share on selected company performance. It advice due investors consider various factors before choosing the better portfolio. Sentimental factors do play a role in price movement only in short term but in long run annual performance is sole factor responsible for price movement.

6. Shende Vikram (2014) this research will be helpful for the new entrants and existing car manufacturing companies in India to find out the customer expectations and their market offerings. The objective of study is the identification of factors influencing customer's performance for particular segment of cars.

7. Buvaneswari .R &Kanimozhip (2014) to study the credit worthiness of selected firms in Indian car industry, tiruchy. Professor Edward Altman of New York University developed method Z score analysis to predict the company failure or bankruptcy. To measure the fiscal fitness of a company combined a set of five financial ratios.

8. SarwadeWalmikKachru (2015) analysed the effects of liberalisation, government de-licensing and liberal trade policies on the growth of Indian auto mobile industry. The study recommends that investing four-wheeler is going to be smart potion not only in India but all around the world. 8. Becker Dieter (2015) the report shows about the current state and future prospects of the worldwide automobile industry. This survey reports the manufacturer, executive and customer views about four aspects, mobility culture, technological fit, business model readiness and market share.

9. Surekha B. &Krishnalah K. Rama (2015) this study reveals the prosperity of Maruti Suzuki Company. It can be concluded that inner strength of company of company is remarkable. Company can further improve its profitability by optimum capital gearing, reduction in administration and financial expenses for the growth of company.

10. Anu B. (2015) made an attempt to examine the relationship between capital structure indicators, market price per shares and also to test relationship between debt-equity and market price per share of selected companies in industry. The study concludes that all three companies support the hypothesis that there is relation between debt-equity and MPS.

11. Maheswari, V. (2015) made an attempt to analyse the financial soundness of the Hero Honda motors limited have identified three factors namely liquidity position, solvency position and profitability position based on the study of period 2002 to 2010 using ratio analysis.

12. Jodi, K. & Kalaivani P. (2015) studied the comparative performance of Honda Motors and Toyota Motors that both companies have satisfactory shortterm liquidity position. As for as cash ratio concerned Honda Company has upper hand upper hand is sound cash management practice during the study period. In case of profitability it is rising from the both of companies but remained much higher earning potential in Honda Motor Ltd.

13.Shinde Govind P. & Dubey Manisha (2011) the study has been conducted considering the segments such as passenger vehicle, commercial vehicle, utility vehicle, two and three wheeler vehicle of key players performance and also analyse SWOT analysis and key factors influencing growth of automobile industry.

14. Singh Amarjit & Gupta Vinod (2012) explored an overview of automobile industry. Indian automobile industry itself as a manufacturing hub and many joint ventures have been setup in India with foreign collaboration. SWOT analysis done there are some challenges by the virtue of witch automobile industry faces lot of problems and some innovative key features are keyless entry, electrically controlled mechanisms enhanced driving control, soft feel interiors and also need to focus in future on like fuel efficiency, emission reduction safety and durability.

15. Ray Sabapriya (2012) studied the sample of automobile companies to evaluate the performance of industry through indicators namely sales, production and export trend etc for period of 2003-04 to 2009-10. The study finds that automobile industry has been passing through disruptive phases by over debt burden, under utilization of assets and liquidity instability. The researcher suggested to improving the labour productivity, labour flexibility and capital efficiency for success of industry in future.

16. Murlidhar, A. Lok Hande & Rana Vishal S. (2013) the author tries to evaluate the performance of Hyundai Motors Company with respect to export, Domestic Sales, productions and profit after tax. For this purpose, the pie chart and bar graph are used to show the performance of company various years.

17. Dharmaraj, A.and Kathirvel N. (2013) explored an overview of new industrial policy act 1991, which allow 100 percent foreign direct investment. An attempt is made to find out the effect of FDI on financial performance of automobile industry. It is concluded that the liquidity ratios shows minor changes and profitability shows an increasing trend during post FDI when compared to pre FDI. Post FDI efficiency ratio shows that companies are efficiently utilizing the available resources.

18. Rapheal Nisha (2013) the author tries to evaluate the financial performance of Indian tyre industry. The study was conducted for period 2003-04 to 2011-12 to analyse the performance with financial indicators, sales trend, export trend, production trend etc. The result suggests the key to success in industry is to improve labour productivity and flexibility and capital efficiency.

19. Sharma Rashmi, Pande Neeraj & Singh Avinash (2013) for understanding how social media monitoring can help diving the consumer decision & also study. The functions of social media i.e. monitor, responses amplify and lead at maruti Suzuki motorcycle India pvt ltd. The researcher had discussion with social media team median managers for collecting data & also visited the official social media sites of MSIL.

20. Daniel A. Moses Joshunar (2013) the study has been conducted to identify the financial strength and weakness of the Tata motors Ltd. using past 5 year financial statements. Trend analysis & ratio analysis used to comment of financial status of company. Financial performance of company is satisfactory and also suggested to increase the loan levels of company for the better performance.

21. Kumar Sumesh & Kaur Gurbachan (2014) Automobile sector is the dominant player in economy of world. After liberalization Indian automobile industry has emerged as a major contributor to India's GDP. The study identified that there is no significant in the means score of various financial ratios of Suzuki motorcycle India pvt ltd and Tata motors but in meeting their long term obligations and efficacy of utilizing the assets show the significant difference in the efficiency of both the firms.

2.2 THEORETICAL DATA

Suzuki Motor Corporation is a Japanese multinational mobility manufacturer headquartered in Hamamatsu, Shizuoka. It manufactures automobiles, motorcycles, all-terrain vehicles (ATVs), outboard marine engines, wheelchairs and a variety of other small internal combustion engines. In 2016, Suzuki was the eleventh biggest automaker by production worldwide. Suzuki has over 45,000 employees and has 35 production facilities in 23 countries, and 133 distributors in 192 countries. The worldwide sales volume of automobiles is the world's tenth largest, while domestic sales volume is the third largest in the country.

The company was founded by Michio Suzuki; its current Chairman is Osamu Suzuki, the fourth adopted son-in-law in a row to run the company. Osamu Suzuki, the 91 year old Chairman of Suzuki Motor Corporation, will retire in June 2021, handing over to his son Toshihiro.

Suzuki Motorcycle India, Private Limited Suzuki Motorcycle India, Private Limited (SMIL) is the wholly owned Indian subsidiary of Suzuki, Japan. The company has a manufacturing plant at Gurgaon, Haryana having the annual capacity of 5,40,000 units.
Motorcycles

Suzuki started manufacturing motorcycles in 1952, the first models being motorized bicycles.From 1955 to 1976 the company manufactured motorcycles with two-stroke engines only, the biggest two-stroke model being the water-cooled triple-cylinder G2F5.

A large factor in Suzuki's success in two-stroke competition was the East German Grand Prix racer Ernst Degner, who defected to the West in 1961, bringing with him expertise in two-stroke engines from the East German manufacturer MZ. The secrets Degner brought with him were three crucial technologies: the boost port,the expansion chamber, and the rotary valve. Walter Kaaden of MZ was the first engineer to combine these three crucial technologies.

In 1994, Suzuki partnered with Nanjing Jincheng Machinery to create a Chinese motorcycle manufacturer and exporter called Jincheng Suzuki.

NATURE OF AUTOMOBILE INDUSTRY

The automobile industry has changed the way people live and work. The earliest of modern cars was manufactured in the year 1895.

Shortly the first appearance of the car followed in India. As the century turned, three cars were imported in Mumbai (India). Within decade there were total of 1025 cars in the city.

The dawn of automobile actually goes back to 4000 years when the first wheel was used for transportation in India. In the beginning of 15th century, Portuguese arrived in China and the interaction of the two cultures led to a variety of new technologies, including the creation of a wheel that turned under its own power. By 1600s small steam-powered engine models was developed, but it took another century before a full-sized engine-powered vehicle was created.

Brothers Charles and Frank Duryea introduced the actual horseless carriage in the year 1893. It was the first internal-combustion motor car of America, and it was followed by Henry Ford's first experimental car that same year. One of the highest-rated early luxury automobiles was the 1909 Rolls-Royce Silver Ghost that featured a quiet 6-cylinder engine, leather interior, folding windscreens and hood, and an aluminium body.Chauffeurs usually drove it and emphasis was on comfort and style rather than speed. During the 1920s, the cars exhibited design refinements such as balloon tires, pressed-steel wheels, and four-wheel brakes. Graham Paige DC Phaeton of 1929 featured an 8-cylinder engine and an aluminium body. The 1937 Pontiac De Luxe sedan had roomy interior and rear-hinged back door that suited more to the needs of families. In 1930s, vehicles were less boxy and more streamlined than their predecessor was. The 1940s saw features like automatic transmission, sealed-beam headlights, and tubeless tires.

The year 1957 brought powerful high-performance cars such as Mercedes-Benz 300SL. It was built on compact and stylized lines, and was capable of 230 kmph (144 mph). This was the Indian automobile history, and today modern cars are generally light, aerodynamically shaped, and compact.

NATURE OF MANAGEMENT ACCOUNTING

Management Accounting is the presentation of accounting information in such a way as to assist management in the creation of policy and the day-to-day operation of an undertaking. Thus, it relates to the use of accounting data collected with the help of financial accounting and cost accounting for the purpose of policy formulation, planning, control and decision-making by the management. Management accounting links management with accounting as any accounting information required for taking managerial decisions is the subject matter of management accounting.

1. Technique of Selective Nature: Management Accounting is a technique of selective nature. It takes into consideration only that data from the income statement and position state merit which is relevant and useful to the management. Only that information is communicated to the management which is helpful for taking decisions on various aspects of the business.

2. Provides Data and not the Decisions: The management accountant is not taking any decision by provides data which is helpful to the management in decision-making. It can inform but cannot prescribe. It is just like a map which guides the traveller where he will be if he travels in one direction or another. Much depends on the efficiency and wisdom of the management for utilizing the information provided by the management accountant.

3. Concerned with Future: Management accounting unlike the financial accounting deals with the forecast with the future. It helps in planning the future because decisions are always taken for the future course of action.

4. Analysis of Different Variables: Management accounting helps in analysing the reasons as to why the profit or loss is more or less as compared to the past period. Moreover, it tries to analyse the effect of different variables on the profits and profitability of the concern.

5. No Set Formats for Information: Management accounting will not provide information in a prescribed proforma like that of financial accounting. It provides the information to the management in the form which may be more useful to the management in taking various decisions on the various aspects of the business.

6. Financial analysis and interpretation: Ratio analysis, cash flow statement, funds flow statement trend analysis etc.; are some of the management accounting techniques which may be used for financial analysis and interpretation.

7. Decision making: Management accounting provides necessary and relevant information to the management in the process of its decision making. Correct decision making is the crucial task. The success of the management highly depends on a perfect decision making. Techniques like marginal costing, differential costing, discounted cash flow etc. help in decisions such as pricing of products, make or buy, discontinuance of a product line, capital expenditure etc.

Scope of Management Accounting: The scope of management accounting is very wide and broad-based. It includes all information which is provided to the management for financial analysis and interpretation of the business operations.

1. Financial Accounting: Financial accounting though provides historical information but is very useful for future planning and financial forecasting. Designing of a proper financial accounting system is a must for obtaining full control and co-ordination of operations of the business.

2. Cost Accounting: It provides various techniques of costing like marginal costing, standard costing, differential and opportunity cost analysis, etc., which play a useful role n t operation and control of the business undertakings.

3. Budgeting and Forecasting: Forecasting on the various aspects of the business is necessary for budgeting. Budgetary control controls the activities of the business through the operations of budget by comparing the actual with the budgeted figures, finding out the deviations, analysing the deviations in order to pinpoint the responsibility and take remedial action so that adverse things may not happen in future. Both the techniques are necessary for management accountant.

4. Cost Control Procedures: These procedures are integral part of the management accounting process and include inventory control, cost control, labour control, budgetary control and variance analysis, etc.

5. Reporting: The management accountant is required to submit reports to the management on the various aspects of the undertaking. While reporting, he may use statistical tools for presentation of information as graphs, charts, pictorial presentation, index numbers and other devices in order to make the information more impressive and intelligent.

6. Evaluating the Performance of the Management: Management accounting provides methods and techniques for evaluating the performance of the management. It evaluates the performance of the management in the light of the objectives of the organisation. Thus, it helps in the implementation of the principle of management by exception.

7. Internal control and internal audit: Management accounting highly depend upon internal control system existing in the organization, like internal check and internal audit, to appraise the targeted performance and to identify the weaker area of organization.

8. Legal Provisions: Management accounting system should also be well informed about relevant and necessary legal provisions like Companies Act, Foreign Exchange Act, Securities Act, and Direct and Indirect Tax Laws. In decision-making process, management accountants should restrict their plan and action within the periphery of such legal provisions.

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3. Budgeting and Forecasting: Forecasting on the various aspects of the business is necessary for budgeting. Budgetary control controls the activities of the business through the operations of budget by comparing the actual with the budgeted figures, finding out the deviations, analysing the deviations in order to pinpoint the responsibility and take remedial action so that adverse things may not happen in future. Both the techniques are necessary for management accountant.

4. Cost Control Procedures: These procedures are integral part of the management accounting process and include inventory control, cost control, labour control, budgetary control and variance analysis, etc.

5. Reporting: The management accountant is required to submit reports to the management on the various aspects of the undertaking. While reporting, he may use statistical tools for presentation of information as graphs, charts, pictorial presentation, index numbers and other devices in order to make the information more impressive and intelligent.

6. Evaluating the Performance of the Management: Management accounting provides methods and techniques for evaluating the performance of the management. It evaluates the performance of the management in the light of the objectives of the organisation. Thus, it helps in the implementation of the principle of management by exception.

7. Internal control and internal audit: Management accounting highly depend upon internal control system existing in the organization, like internal check and internal audit, to appraise the targeted performance and to identify the weaker area of organization.

8. Legal Provisions: Management accounting system should also be well informed about relevant and necessary legal provisions like Companies Act, Foreign Exchange Act, Securities Act, and Direct and Indirect Tax Laws. In decision-making process, management accountants should restrict their plan and action within the periphery of such legal provisions.

NATURE OF PROFITABILITY ANALYSIS

Profitability analysis is an analytical process that seeks to reveal information about the various revenue streams of the organization. It helps leaders to identify ways to optimize profitability and is used to assist in Enterprise Resource Planning

Advancements in ERP solutions have enabled analysts to gather more transparent and insightful information. This information is used in various ways to analyse profitability as it relates to customers, vendors, locations, and product lines.

One common misconception of profitability analysis is that it is purely quantitative. Analysing profitability requires a combination of both quantitative and qualitative analytics. This helps to provide leaders with a more robust view of the various profit drivers in the business and how to maximize those drivers.

Keeps Track Of Performance

Analysing profitability over extended periods of time helps create and maintain a track record of performance. A track record is helpful in the continued analysis of future profitability ratios and is used to forecast and plan as well.

Identify Optimal Product Mixes

One of the primary uses of profitability analysis is to reveal which combination of products will result in the most profit.

Maximize the Use of Assets

Profitability is often analysed in conjunction with the business's assets to provide indicators on how effective the organization is at utilizing its assets to create gross sales and generate profits.

Understand Return on Equity (ROE)

ROE is a financial metric that measures how effective the business is at generating a return for its equity investments.

STATEMENT OF PROBLEM

Lack of an Underlying Theory

The basic problem in financial statement analysis is that there is no theory that tells us which numbers to look at and how to interpret them. In the absence of an underlying theory financial statement analysis appears to be ad hoc informal and subjective. From a negative viewpoint, the most striking aspect of ratio analysis is the absence of an explicit theoretical structure. As a result the subject of ratio analysis is replete with untested assertions about which ratios should be used and what their proper levels should be.

Conglomerate Firms

Many firms, particularly the large ones, have operations spanning a wide range of industries. Given the diversity of their product lines, it is difficult to find suitable benchmarks for evaluating their financial performance and condition. Hence, it appears that meaningful benchmarks may be available only for firms which have a well-defined industry classification.

Window Dressing

Firms may resort to window dressing to project a favourable financial picture. For example, a firm may prepare its balance sheet at a point when its inventory level is very low. As a result, it may appear that the firm has a very comfortable liquidity position and a high turnover of inventories. When window dressing of this kind is suspected, the financial analyst should look at the average level of inventory over a period of time and not the level of inventory at just one point of time.

Variations in Accounting Policies

Business firms have some latitude in the accounting treatment of items like depreciation, valuation of stocks, research and development expenses, foreign exchange transactions, instalment sales, preliminary and pre-operative expenses, provision of reserves, and revaluation of assets. Due to diversity of accounting policies found in practice, comparative financial statement analysis may be vitiated.

Interpretation of Results

Though industry average and other yardsticks are commonly used in financial ratios, it is somewhat difficult to judge whether a certain ratio is good or bad. A high current ratio, for example may indicate a strong liquidity position (something good) or excessive inventories (something bad). Likewise a high turnover of fixed asset may mean efficient utilization of plant and machinery or continued flogging of more or less fully depreciated worn, out and inefficient plant and machinery.

Another problem in interpretation arises when a firm has some favourable ratios and some unfavourable ratios and this is rather common. In such a situation, it may be somewhat difficult to form an overall judgment about its financial strength or weakness. Multiple discriminated analysis, a statistical tool, may be employed to sort out the net effect of several ratios pointing in different directions.

Correlation among ratios

Notwithstanding the previous observation, financial ratios of a firm often show a high degree of correlation. This is because several ratios have some common element (sales for example, are used in various turnover ratios) and several items tend to move in harmony because of some common underlying factor. In view of ratio correlations, it is redundant and often confusing to employ a large number of ratios in financial statement analysis. Hence it is necessary to choose a small group of ratios from a large set of ratios. Such a selection requires a good understanding of the meaning and limitations of various ratios and an insight into the economies of the business.

Financial statement analysis can be a very useful tool for understanding a firm's performance and conditions. However, there are certain problems and issues encountered in such analysis which call for care, circumspection, and Judgment.

2.3 THEORETICAL FRAMEWORK

Financial ratio analysis of a company used to assess the situation and trends also measure the performance of management. Through analysis of the ratio can be used as a basis to assess whether management's performance has reached a predetermined goal or not and early knowing on trends or trends that management performance can be anticipated earlier.

The results of analysis can be used to observe the weakness of the company during the period of time to walk, is there any weaknesses in the company can be repaired, while the results are good enough to be maintained in the future. Further historical ratio analysis can be used for the preparation of plans and policies in the coming years in order to determine the right policy direction.

Financial analysts often compare financial ratios (of solvency, profitability, growth, and other conditions):

- Past Performance - Across historical time periods for the same firm (the last 5 years for example)

- Future Performance - Using historical figures and certain mathematical and statistical techniques, including present and future values, this extrapolation method is the main source of errors in financial analysis as past statistics can be poor predictors of future prospects.

- Comparative Performance - Comparison between similar firms. Comparing financial ratios is merely one way of conducting financial analysis. Financial ratios face several theoretical challenges:

- They say little about the firm's prospects in an absolute sense. Their insights about relative performance require a reference point from other time periods or similar firms.

- One ratio holds little meaning. As indicators, ratios can be logically interpreted in at least two ways. One can partially overcome this problem by combining several related ratios to paint a more comprehensive picture of the firm's performance.

- Seasonal factors may prevent year-end values from being representative. A ratio's values may be distorted as account balances change from the beginning to the end of an accounting period. Use average values for such accounts whenever possible.

- Financial ratios are no more objective than the accounting methods employed. Changes in accounting policies or choices can yield drastically different ratio values.

- They fail to account for exogenous factors like investor behaviour that are not based upon economic fundamentals of the firm or the general economy (fundamental analysis).

2.4 CONCEPTUAL FRAMEWORK

➢ Meaning of Finance

Business concern needs finance to meet their requirements in the economic world. Any kind of business activity depends on the finance. Hence, it is called as life blood of business organization. Whether the business concerns are small or big, they need finance to fulfil their business activities. In the modern world, all the activities are concerned with the economic activities and very particular to earning profit through any venture or activities. The entire business activities are directly related with making profit. A business concern needs finance to meet all the requirements. Hence finance may be called as capital, investment, fund etc., but each item is having different meanings and unique characters. Increasing the profit is the main aim of any kind of economic activity.

➢ Financial Performance

"Financial performance is scientific evaluation of profitability and financial strength of any business concern" according to Kennedy and Macmillan financial statement analysis attempt to unveil the meaning and significance of the items composed in profit and loss account and balance sheet. The assists are the management in the formation of sound operating and financial policies. According to accounting point of view financial statement are prepared by a business enterprise at the end of every financial year. "Financial statements are end products of financial accounting." They are capsulated periodical reports of financial and operating data accumulated by a firm in its books of accounts- the General Ledger. One of the most fundamental facts about businesses is that the operating performance of the firm shapes its financial structure. It is also true 14 that the financial situation of the firm can also determine its operating performance. The financial statements are therefore important diagnostic tools for the informed manager.

➢ Financial Efficiency

Financial Efficiency is a measure of the organization's ability to translate its financial resources into mission related activities. Financial Efficiency is desirable in all organizations regardless of individual mission or structure. It measures the intensity with which a business uses its assets to generate gross revenues and the effectiveness of producing, purchasing, pricing, financing and marketing decisions. At the micro level, Financial Efficiency refers to the efficiency with which resources are correctly allocated among competing uses at a point of time. Financial Efficiency is a measure of how well an organization has managed certain trade-offs in the use of its financial resources. Financial Efficiency is regarded efficiency and is a management guide to greater efficiency the extent of profitability, productivity, liquidity and capital strength can be taken as a final proof of financial efficiency. It is interesting to note that sometimes, even sufficient profits can mask inefficiency and conversely, a good degree financial efficiency could be dressed with the absence & profit.

➢ Financial Performance Analysis

In short, the firm itself as well as various interested groups such as managers, shareholders, creditors, tax authorities, and others seeks answers to the following important questions: (1) what is the financial position of the firm at a given point of time? (2) How is the Financial Performance of the firm over a given period of time? These questions can be answered with the help of financial analysis of a firm. Financial analysis involves the use of financial statements. Thus, the term „financial statements" generally refers to two basic statements: The Balance Sheet shows the financial position of the firm at a given point of time. The income statement referred to in India as the profit and loss statement reflects the performance of the firm over a period of time.

However, financial statements do not reveal all the information related to the financial operations of a firm. The financial performance analysis identifies the financial strengths and weaknesses of the firm by properly establishing relationships between the items of the balance sheet and profit and loss account. The first task is to select the information relevant to the decision under consideration from the total information contained in the financial statements. The second is to arrange the information in a way to highlight significant relationships. The final is interpretation and drawing of inferences and conclusions. In short, "financial performance analysis is the process of selection, relation, and evaluation."

➢ Ratio Analysis

The term accounting ratios is used to describe significant relationship between figures shown on balance sheet, in a profit and loss account, in a budgetary control system or in any, other part of the accounting organization. Ratio simply refers to one number expressed in terms of another number. Ratio analysis is a technique of analysis and interpretation of financial statement. It is the process of establishing and interpreting the various ratios for helping in making certain decision. However, ratio analysis is not an end to itself. It is only a means of better understanding of financial strength, weakness of a firm. Calculation of mere accounting ratios does not serve any purpose unless several appropriate ratios are analysed and interpreted.

Objectives of Ratio Analysis

- **To study the short term solvency of a firm.**
- **To study the long term solvency of a firm.**
- **To determine the profitability of a firm.**
- **To measure the performance of a firm.**
- **To facilitate the process of financial forecasting.**
- **To communicate the strength and weakness of a firm.**
- **To enable managerial decision making.**

Profitability ratios

1. Net profit ratio

Net profit ratio is the ratio of net profit earned by business and its net sales. The objective of calculating net profit ratio is to measure the overall profitability of the concern. It determines the return to the owners. This ratio indicates how much of sales are left after meeting all the expenses. Net profit ratio calculated by using the following formula.

Net Profit /Net Sales *100

The ideal N/P ratio in automobile industry in India is 7% to 12%. However, in order to understand the real ability of management to earn profit, this ratio should be used along with working capita turnover ratio. Higher the ratio is the profitability. This means higher returns to shareholders.

2. Gross profit ratio

Gross profit ratio is the ratio of gross profit to net sales i.e. sales less sales returns. The ratio thus reflects the margin of profit that a concern is able to earn on its trading and manufacturing activity. It is the most commonly calculated ratio. It is employed for inter-firm and inter-firm comparison of trading results. Gross profit is what is revealed by the trading account. It results from the difference between net sales and cost of goods sold without taking into account expenses generally charged to the profit and loss account. The larger the gap, the greater is the scope for absorbing various expenses on administration, maintenance, arranging finance, selling and distribution and yet leaving net profit for the proprietors or shareholders.

Formula: Gross Profit / Net Sales *100

3. Operating profit ratio

Operating profit ratio explains the relationship between operating profit and net sales. The operating profit ratio indicates that every result of operation of business. It measures the operational efficiency Operating ratio is calculated by using following formula:-

Operating Profit Ratio = Operating Profit/Net sales * 100 Operating profit = Net sales- Cost of goods sold- Operating expenses or

Gross profit- Operating expenses

Operating profit can be ascertained from net profit in the following manner.

Operating profit = Net profit + Non-Operating expenses and Interest on long term Loans and debentures - Non operating income.

4. Operating ratio

The operating ratio is a financial term defined as a company's operating expenses as a percentage of revenue. This financial ratio is most commonly used for industries which require a large percentage of revenues to maintain operations, such as railroads. In railroading, an operating ratio of 80 or lower is considered desirable. The operating ratio can be used to determine the efficiency of a company's management by comparing operating expenses to net sales. It is calculated by dividing the operating expenses by the net sales. The smaller the ratio, the greater the organization's ability to generate profit. The ratio does not factor in expansion or debt repayment. Alternatively, it may be expressed as a ratio of sales to cost. In such case a higher ratio indicates a better ability to generate revenue. The ideal ratio of manufacturing concern is 75% to 85%.

The operating ratio is calculated by the following formula:

Operating Ratio = Operating cost / Net sales * 100

Operating cost = Cost of goods sold + Operating expenses

5. Return on equity

Return on net worth is a ratio developed from the perspective of the investor and not the company. By looking at this, the investor sees if entire net profit was passed on to him, how much return he would be getting. It explains the efficiency of the shareholder's capital to generate profit.

Importance

- This ratio interprets how efficiently a company uses shareholder's money to generate maximum profit.
- The higher the ratio, the more efficient the company is for using shareholder's equity
- Investors always prefer a high return on net worth/equity Ratio of a company for maximum profit.

Positive and negative return on the net worth ratio

Positive: It interprets company is well organized at generating shareholder's return. It indicates how wisely a company can invest the amount and increase productivity and profit. It shows the company can generate more assets to cover its liabilities. Therefore, undoubtedly it is a safe investment choice.

Negative: In contrast, a decreasing return in net worth means the company is making a poor decision and their equity management efficiency is not good at all. So it is clear that a company with a negative return on net worth has more debt and not a safe investment choice.

Return on net worth/equity = Net income/shareholder's equity*100

6. Return on assets

Return on assets is a financial ratio that shows the percentage of profit of a Company earns in relation to its overall resources. It is commonly defined as net income divided by total assets. Net income is derived from the income statement of a company and is the profit after tax Return on assets is calculated by following formula

Return on asset = Profit after tax/ Total Assets *100

7. Return on capital employed

Return on capital employed (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is used. In other words. The ratio measures how well a company is generating profits from its capital. The ROCE ratio is considered an important profitability ratio and is used often by investors when screening for suitable investment candidates.

The Formula for ROCE Is

ROCE = EBIT / Capital Employed*100

Where:

EBIT = Earnings before interest and tax

Capital employed = total assets - current liabilities

Liquidity ratio

The term liquidity refers to the firm's ability to meet its current its current liabilities. Liquidity ratios are used to measure the liquidity positions or short term financial positions of a firm. These ratios are used to assess the short term debt paying ability of a firm, important liquidity ratios are current ratio and quick ratio.

1. Current ratio

Current ratio is one of the oldest of all financial ratios. Current ratio is defined as the ratio of current assets to current liabilities. It shows the relationship between total current asset and total current liabilities. Current ratio is also called working capital ratio or bankers ratio. It is calculated as follows;

Current Ratio = Current Asset/Current Liabilities

In short current ratio is a measure of the ability of a firm to pay its current liabilities out of current assets. Generally a current ratio of 2:1 is considered satisfactory or ideal. This means that current assets shall be at least twice the current liabilities.

2. Liquid ratio

Liquid ratio is the ratio of liquidated assets to current liabilities. It establishes the relationship between quick assets and current liabilities. It is the measure of the instant debt paying ability of the business enterprise. It is also called acid test ratio. It is called so because the ratio is calculated to eliminate all possible illiquid elements from current assets. It is also called near money ratio. It is computed as follows:

Liquid ratio = Liquid assets/Current liabilities

Liquid asset = Current assets - stock and prepaid expenses

A quick ratio of 1:1 is considered as satisfactory or ideal. It means that the liquid assets are just equal to quick or current liabilities.

Comparative balance sheet

A comparative balance sheet shows the assets, liabilities and owner's equity of a business enterprise at the beginning and at the end of the accounting period with increases and decreases in the absolute data in terms of rupees and percentages. A single balance sheet focuses on the financial status of the firm as on a particular date, while a comparative balance sheet, focuses on the changes that have taken place in one accounting period.

3.1 GENERAL PROFILE OF KOLHAPUR CITY

History of a city echoes in the lifestyle of people and various organizations in the city. The magnanimous development of Kolhapur city can be traced to its history. The various types of transformations that occurred in Indian social life during historic and prehistoric times are seen in Karvir region also. During the historic period from first century before Christ to ninth century AD, Kolhapur was situated on the Brahmpuri hills. The excavations on the hill and the research on items found there indicate that during Satwahan period there was wealthy and cultured population staying there. From 225 AD to 550 AD there was dynasty of royal families of Wakatak , Kadamb, Shedrak and Mourya. During 550 AD to 753 AD there was kingdom of Chalukya family from Badami.

In 634 AD, King Kamadeo from this family started construction of Mahalaxmi temple. Almost all Chalukys Kings address Kolhapur as 'Dakshin Kashi' or 'Mahateerth'. In 753 AD to 850 AD Rashtrakut dynasty was established in the south. Kolhapur region also came under their jurisdiction. From that time to 1210 AD there was kingdom of Shilahar in Kolhapur. Kolhapur has played a major role during that period as a main power center of Shilahaar kingdom. Kolhapur has been referred as Mahateerth in the stone carvings during the period of Gandaradivya King. He completed the construction of Mahalaxmi temple. His sister Chandrikadevi was married with Chalukya King Second Vikramaditya and the wealth of Kolhapur started growing.

Brahmpuri, Uttareshwar, Kholkhandoba, Rankala, Padmala and Ravaneshwar were the main natural centers of Kolhapur city in the ancient time. Hence the Kolhapur region was known as of historical importance. The above centres were like small villages at that time. In ninth century AD, Mahalaxmi temple was established and these centers were bound in to strong cultural and financial center. Archeologists believe that stone carvings, literature and architecture suggest that Mahalaxmi temple's wealthy background cannot be taken back beyond 9th century A. D. i.e. Rashtrakoot dynasty.

It is equally important to examine the relation of name Kolhapur in the light of geographical and cultural context. Karvir Peeth is referred as Dakshin Kashi in old literature. Mahalaxmi lifted the city by her pious hands to a safe place during in Paralay calamity. Hence the city was aptly named as 'Karvir'. This hypothesis was suggested by Major Graham. In Karvir Mahatmya It is mentioned that Karvirnagar is the city lifted by Mahalaxmi goddess with her hands. In Hari Puran also there is a mention of Karvir.

City was referred as Karvir after the installation of Mahalaxmi temple. Before that, there were many names like Kolhapur, Kollpur, Kollagiri, Kolladigiripattan. Kolla means valley and Kolhapur means city of vallies. In short, Brahmapuri, Karvir and Kolhapur are different names for this place. After the establishment of Mahalaxmi temple, Kolhapur was recognized as a religious center and gave rise to various cultural and financial developments.

There was kingdom of Shilahar in Kolhapur during 12th century AD. In 1210AD, King Sighandev of Devgiri Defeated Shilahar kingdom of Kolhapur. It was leading capital of one province of Yadav kindom of Devgiri. In 1298 AD Yadav of Devgiri were defeated and Muslim dynasty was established in Kolhapur during 1306 AD to 1307. After Shri. Chhatrapati Shivaji Maharaj conquered Panhalgad in 1659, Kolhapur became part of Maratha kingdom. Kolhapur played a major role in freedom war of Shivaji. During the period of Maharani Tarabai, Kolhapur Attained the status of capital city. After the establishment of Karvir kingdom, there was rapid growth of the city.

Kolhapur is one of the oldest civilizations of the country. Kolhapur's cultural history is dated back to 17th Century. Situated at the banks of River Panchganga, Kolhapur is called as DAKSHIN KASHI (Kashi is a holy city in Northen India and Dakhin means South) for its spiritual history.

India's pre-independence history is in fact, history of kings and their kingdoms. Kolhapur is not different from the others, it has also seen and gone under the various regimes and since the emergence of the Marathas, the place was being ruled by the Bhonsle dynasty.

Chhatrapati Shahu Maharaj was not among the male ancestor of this dynasty as he was born as the eldest son of Appasahed Ghatge [Chief of Kagal (Senior)] on 26th June 1874 and was named as Yashwatrao Ghatge.

Those were the days around the Holi [an Indian Festival related with color and usually celebrated in the months of March – April] in the year 1884 when Rani Shrimant Anandibai Raje Saheb decided to adopt him and made him Chhatrapati of the princely state of Kolhapur. After the Reign of Chhatrapati Shahu Maharaj, the Bhosale Dynasty has continued on the Throne of Kolhapur. Post-Independence Princely State of Kolhapur became an integral part of Union of INDIA.

However, the royal family is still held with High Respect amongst the people of Kolhapur. Shrimant Maharaja Shahu II Chhatrapati Maharaj ascended the royal throne on 9th May 1983 and is the current Head of Royal House.

3.1.1 HISTORIC PERSPECTIVE

The Indian automobile market is one of the largest in the world, both in terms of sales volume and production. Talking about historical roots of the car market in India, the first time that a vehicle came on road was in 1897. Till 1930, India did not have any manufacturing facility and cars were imported directly from other countries. The landmark decade in the manufacturing process was that of 1940s, in which Indian companies like Hindustan Motors and Premier started to manufacture cars of other firms. During the same decade, Mahindra & Mahindra also started to produce utility vehicles.

Soon after independence 1947, Government of India tried to create an automotive component manufacturing industry in order to supplement the automobile fraternity. From 1960 to 1980s, the Indian market was dominated by Hindustan Motors, which gathered a large amount of share due to its Ambassador model. However, during 1950s till 1960s, the overall industry moved at a slow pace due to trade restrictions set on imports. Soon after this repressive phase, demand surged but to a smaller extent, which was mainly seen in the tractor and commercial vehicles segment.

It was in 1980s that the two firms, Hindustan Motors and Premier, were challenged by a new entrant, Maruti Udyog Limited. Soon after liberalisation period, car makers that were previously not allowed to invest in Indian market due to stringent policies arrived in the country. Post liberalisation, the alliance between Maruti and Suzuki was the first joint venture between an Indian company and foreign one. Slowly and steadily, the economic reforms brought in the led to the entry of major foreign companies like Hyundai and Honda, which expanded their bases to the country. From 2000 to 2010, almost every major motorcycle company expanded its presence to India by establishing manufacturing facilities across different parts of the country.

3.1.2 GEOGRAPHICAL FEATURES

The automobile industry in India is the world's third largest in terms of sales. India was the world's fifth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US$ 251.4-282.8 billion) by 2026. The industry attracted Foreign Direct Investment (FDI) worth US$ 30.51 billion between April 2000 and June 2021 accounting for ~5.5% of the total FDI during the period according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

3.1.3 DEMOGRAPHIC FEATURES

The India automotive market has experienced considerable growth in recent years and achieved record sales in 2018. However, the market experienced a slump in the year 2019 due to its economic slowdown. Although the market was anticipated to revive in 2020, the spread of the novel coronavirus has further delayed the revival. Growing preferences for Sports Utility Vehicles (SUVs), rising demand for commercial vehicles in the logistic sector, and pent-up demand are certain factors expected to drive the market over the coming years. India's automobile sector is emerging out of COVID headwinds and continuing on it's path to becoming the world's third largest automobile market.

3.1.4 PUBLIC ADMINISTRATION

Government regulation in the automotive industry directly affects the way cars look, how their components are designed, the safety features that are included, and the overall performance of any given vehicle. As a result, government regulation also has a significant effect on the automotive business by generally increasing production costs while also placing limitations on how cars are sold and marketed. Automotive regulations are designed to benefit the consumer and protect the environment, and automakers can face stiff fines and other penalties if they are not followed.

3.4 DEALER PROFILE

Shibe Auto Kagal Pvt Ltd, Kagal Kolhapur.

This is one of the best Authorised Sub- dealers for Suzuki motorcycle Automotive. Started in year 2011 by Mr. Samit Sharad Shibe who is a successful Businessman. It is a place of eminence and honor in market to serve their customers.

Commanding Presence:

Shibe Auto Kagal Pvt Ltd (Authorised sub dealer dealer) as a air conditioned showroom & garage of Suizuki automotive, spread gracefully and decorated elegantly. Being equipped with affable front office staff. Provides a perfect of quality service and reliability.

Technology to Stay Ahead:

We are equipped with the latest technological advancement in the industry, in order to give the best of services when it matters. Not just to be part of, But to build the future, is our motto.

Ambience the Exude Relaxation:

Ours is one of the few service centres to be equipped with a fully-fledged customer- waiting lounge. A part from a television, it had a wifi to keep u connected all the time.

Service with Commitment: Our dedicated team of mechanical specialty offers expert treatment for your vehicle. We ensure consistency in performance.

Attention to Details:

We provide genius spare parts and accessories to ensure exceptional performance. Every single aspect related to your vehicle is taken care of at our premises.

Dealing Made Convenient:

It is a part of our commitment policy to give advantage to the customer at every juncture. We offer assistance of every kind at our premises itself, which makes it a one stop facility.

Expert Guidance at Every Step:

Our sales team gives utmost priority to your satisfaction. When you need help to make the right choice, it is ensured that the result is beyond your expectations. Thus making it a point that you get the best in both luxury and comfort always

Promotional Activities:

The promotional activities adopted by Shibe Auto are

- Test Driving
- Free Driving
- Hoarding
- Discounts
- Advertisement in Newspaper and magazines

- Gift Schemes
- Free Services
- Mileage Content

Working Time: Working hours in Shibe Auto are 10 hours per day starting from 10:30 am to 8:30pm with one-hour break for lunch and 15 minutes for evening tea and coffee

4. DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

The data collected for past four years to analysis for drawing conclusion. So in this chapter efforts have been made to analysis and interpret the collective data of profitability ratios. The collective data have been presented in tabular form and there after it is analysed with help of percentage and line graph.

4.2 DATA ANALYSIS

This chapter is considered to be the core part of this project work. It is mainly indented to examine the profitability of the company for the last four years. The ratio analysis is one of the most powerful tools of financial analysis. It is a process of computing and interpreting various accounting ratios for arriving at conclusions about financial position and performance of an enterprise. They are the pointers or indicators of financial strength, soundness, position or weakness of a concern. One can draw conclusions about the exact financial position of an enterprise with the help of financial ratios.

A profitability ratio measures a company's ability to generate earning relative to sales, assets and equity. It reveals the financial strength and weakness of a firm. The operation efficiency of the firm its ability to ensure adequate return to its shareholders depends ultimately on the profit earned by it. The profitability of a firm can be measured by its profitability ratio. Profitability ratios measure the ability of a firm to earn an adequate return on sales, total assets and invested capital. There are two types of profitability ratios. First, profitability ratios based on sales and second, profitability ratios based on investment.

Table No.

4.2.1 Net Profit Ratio

Year	Net Profit	Net Sales	Ratio (%)
2019	-1,78,94,810	1,15,17,38,839	-1.5537
2020	-2,55,23,248	96,50,08,153	-2.6448
2021	-5,462,357	834,893,750	-0.6542
2022	-8,142,985	1,120,802,572	-0.7265

(Source: Primary data)

Interpretation of Net Profit Ratio (2019-2022)

The Net Profit Ratio for Shibe Auto Kagal Pvt Ltd has shown a persistently negative trend over the period from 2019 to 2022. In 2019, the net profit ratio was -1.5537%, indicating that the company incurred a significant loss relative to its sales. This situation worsened in 2020, with the ratio plunging to -2.6448%, highlighting even greater financial strain as the company's losses increased more sharply than its reduction in sales.

In 2021, the net profit ratio improved to -0.6542%, suggesting some recovery or cost-cutting measures that partially mitigated the losses, although they still remained significant. However, in 2022, the net profit ratio slightly declined to -0.7265%, indicating a marginal increase in losses relative to sales, despite an increase in overall sales volume.

Reasons

Cost Management Issues: The consistent losses suggest ineffective cost control measures, leading to high operational expenses that exceed the company's revenue.

Market Conditions: The decrease in sales in 2020 could be attributed to adverse market conditions, possibly exacerbated by the global pandemic's economic impact.

Revenue Generation Challenges: The company may face challenges in increasing its sales volumes or profit margins due to competitive pressures or market saturation.

Operational Inefficiencies: There could be underlying operational inefficiencies that prevent the company from achieving profitability despite fluctuations in sales.

FIGURE

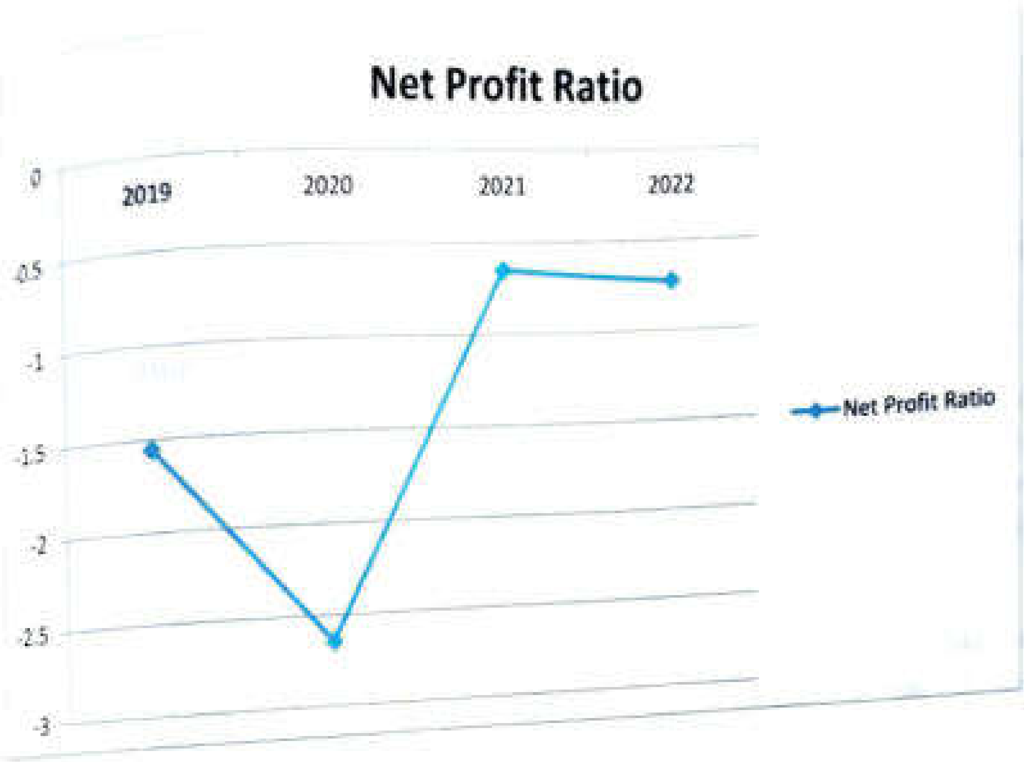

Net Profit Ratio
0
-0.5
-1
-1.5
-2
-2.5
-3
2019
2020
2021
2022
Net Profit Ratio

Table No.

4.2.2 Gross Profit Ratio

Year	Gross Profit	Net Sales	Ratio (%)
2019	-2,66,68,421	1,15,17,38,839	-2.3154
2020	-2,79,71,925	96,50,08,153	-2.8986
2021	-7,291,832	834,893,750	-0.8733
2022	-8,142,985	1,120,802,572	-0.7265

(Source: Primary data)

Interpretation of Gross Profit Ratio (2019-2022)

The Gross Profit Ratio for Shibe Auto Kagal Pvt Ltd reveals a pattern of persistent negative figures from 2019 to 2022. In 2019, the gross profit ratio was -2.3154%, indicating that the company's cost of goods sold (COGS) exceeded its net sales significantly. This situation worsened in 2020, with the ratio declining further to -2.8986%, suggesting that the company's profitability deteriorated as COGS increased relative to sales.

In 2021, there was an improvement with the gross profit ratio rising to -0.8733%, indicating a reduction in the proportion of costs relative to sales. However, the company was still unable to generate positive gross profits. By 2022, the ratio improved slightly to -0.7265%, reflecting a further decrease in the negative margin, although it remained in the negative territory.

Reasons

Market Competition: Intense competition might force the company to lower prices to remain competitive, negatively impacting gross profit margins.

Operational Inefficiencies: Inefficiencies in the production process or supply chain could lead to higher COGS, contributing to the negative gross profit ratio

FIGURE


Gross Profit Ratio
0
-0.5
-1
-1.5
-2
-2.5
-3
-3.5
2019
2020
2021
2022
Gross Profit Ratio

Table No.

4.2.3 Operating Profit Ratio

Year	Operating profit	Net Sales	Operating Profit Ratio
2019	12695.55	75841.42	16.7396
2020	17882.96	83773.05	21.3469
2021	17592.51	92093.95	19.1027
2022	12811.44	104720.68	12.2339

(Source: Primary Data)

Interpretation of Operating Profit Ratio (2019-2022)

The Operating Profit Ratio for Shibe Auto Kagal Pvt Ltd in the Kolhapur locality sub-dealership presents an overall positive trend with some fluctuations. In 2019, the operating profit ratio was 16.7396%, indicating a healthy margin between operating profit and net sales. This ratio improved significantly in 2020, reaching 21.3469%, reflecting strong operational efficiency and effective cost management during that period.

In 2021, the ratio slightly declined to 19.1027%, suggesting some increase in operating expenses relative to sales, but it still remained robust. However, in 2022, the ratio dropped considerably to 12.2339%, indicating a notable increase in operating costs or a decrease in operational efficiency.

Reasons

Local Market Conditions: In 2020, the Kolhapur locality might have experienced favorable market conditions, leading to higher sales and better operational efficiencies. However, these conditions could have shifted in 2022, negatively impacting profitability.

Operational Challenges: The significant drop in 2022 might be due to specific operational challenges faced by the sub-dealership, such as increased overhead costs, labor issues, or supply chain disruptions affecting the local market.

Cost Management Practices: While cost management appeared strong in 2019 and 2020, there may have been lapses or increased operational costs in 2021 and 2022, such as higher raw material prices or increased maintenance costs.

Competitive Pressure: Increased competition in the Kolhapur area could have forced the sub-dealership to spend more on marketing, discounts, and promotional activities, thereby increasing operating expenses and reducing the operating profit ratio.

FIGURE

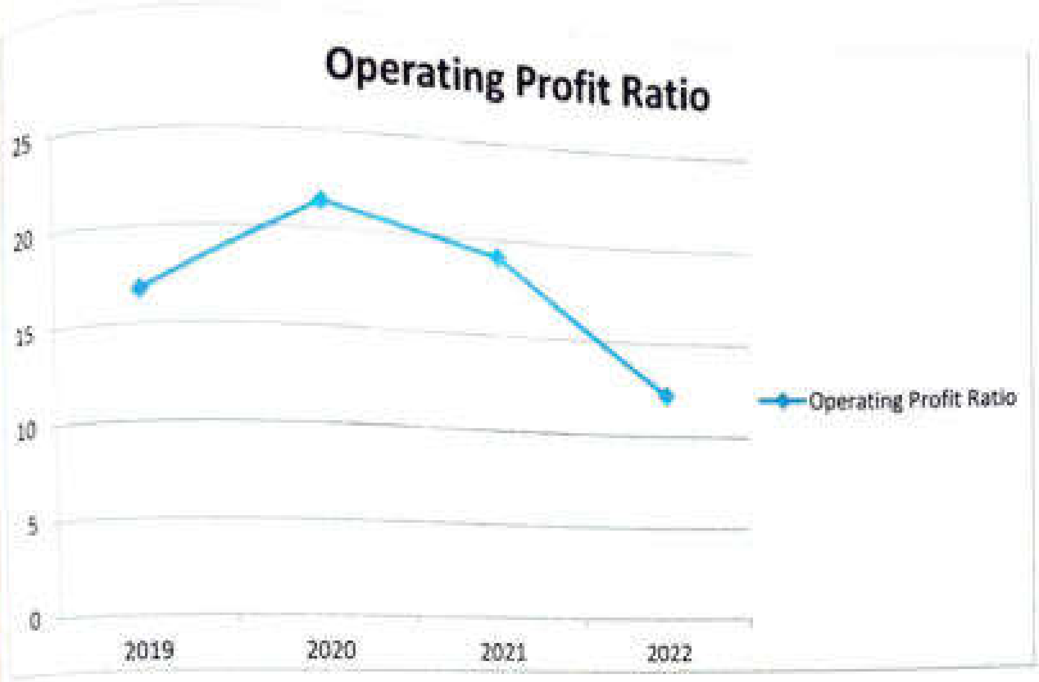

Operating Profit Ratio
25
20
15
10
5
0
2019
2020
2021
2022
Operating Profit Ratio

Table No.

4.2.4 Operating Ratio

Year	Operating cost	Net Sales	Operating Ratio
2019	47567.5	79382.8	59.9216
2020	53454.1	87279.4	61.2448
2021	56820.5	91941.5	61.8007
2022	64342.4	10301.5	62.4592

(Source: Primary data)

Interpretation of Operating Ratio (2019-2022)

The Operating Ratio for Shibe Auto Kagal Pvt Ltd provides insights into the company's operational efficiency over the period from 2019 to 2022. The operating ratio represents the proportion of operating costs relative to net sales, reflecting how efficiently the company manages its costs.

In 2019, the operating ratio was 59.9216%, indicating that operating costs accounted for approximately 59.92% of the net sales. This suggests relatively efficient cost management during that period. The ratio increased slightly in 2020 to 61.2448%, indicating a slight rise in operating costs relative to sales, possibly due to increased expenses or lower sales volumes affecting the ratio.

In 2021, the operating ratio further increased to 61.8007%, continuing the trend of rising operating costs compared to net sales. This could be attributed to various factors such as increased overheads, higher production costs, or other operational inefficiencies affecting profitability. By 2022, the operating ratio rose to 62.4592%, indicating a further increase in operating costs relative to sales, which might signify ongoing challenges in managing costs effectively.

Reasons

Cost Inflation: The increase in operating costs over the years could be due to inflationary pressures on expenses such as wages, utilities, and administrative costs, affecting the operating ratio negatively.

Scaling Issues: As sales volumes fluctuate, fixed operating costs may exert more pressure on the operating ratio, particularly if sales do not grow proportionally to cover these fixed costs.

Efficiency Challenges: Despite efforts to control costs, operational inefficiencies or delays in implementing cost-saving measures could contribute to the gradual increase in the operating ratio over time.

Market Dynamics: Local market dynamics in the Kolhapur area, including competitive pressures or shifts in consumer preferences, could influence sales volumes and impact the operating ratio by affecting revenue generation and cost management strategies.

By addressing these specific challenges and focusing on improving operational efficiency and cost management practices, Shibe Auto Kagal Pvt Ltd can work towards reducing its operating ratio and improving overall profitability in the Kolhapur sub-dealership.

FIGURE

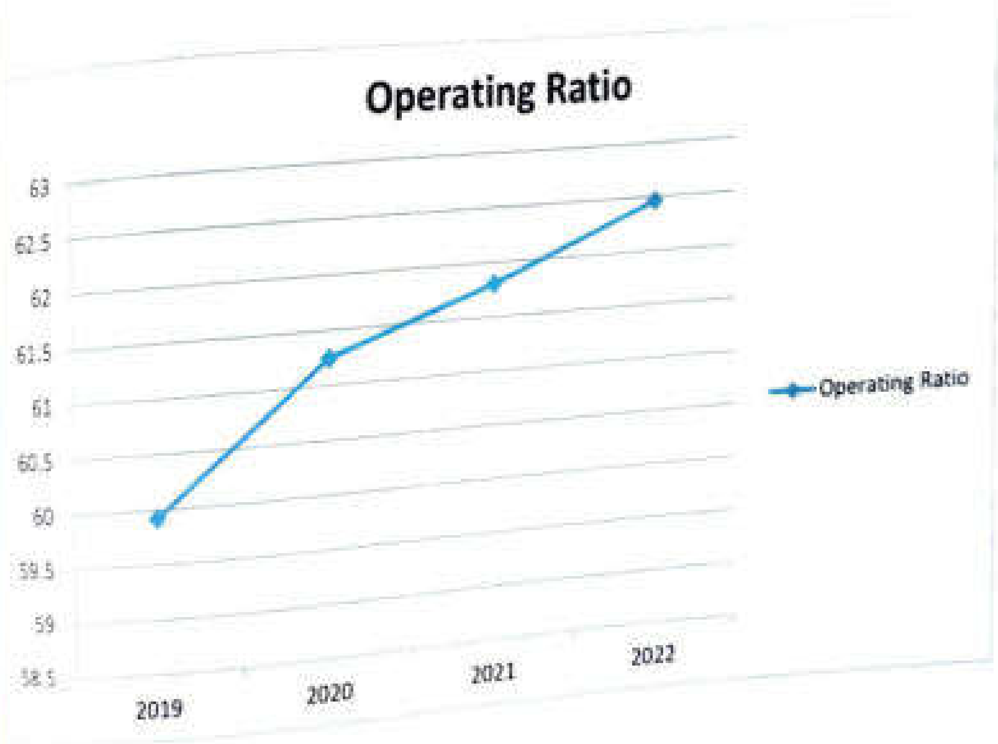


Table No.

4.2.5 Return on Net Worth/Equity

Year	Net income	Shareholder's equity	Return on equity ratio
2019	1,15,17,38,839	61,126,405	18.8419
2020	96,50,08,153	86,649,653	11.1368
2021	834,893,750	88,363955	9.4483
2022	1,120,802,572	96,506,941	11.6136

(Source: Primary data)

Interpretation of Return on Equity (ROE) (2019-2022)

The Return on Equity (ROE) for Shibe Auto Kagal Pvt Ltd reflects the company's ability to generate profit from shareholder equity over the period from 2019 to 2022. ROE is a critical financial metric that indicates how effectively the company utilizes shareholders' investments to generate profit.

In 2019, the ROE was 18.8419%, indicating that for every rupee of shareholder equity, the company generated approximately 18.84% in net income. This suggests efficient use of equity capital to generate profits. However, in 2020, the ROE decreased to 11.1368%, indicating a decline in profitability relative to shareholder equity, possibly due to lower net income despite increased equity.

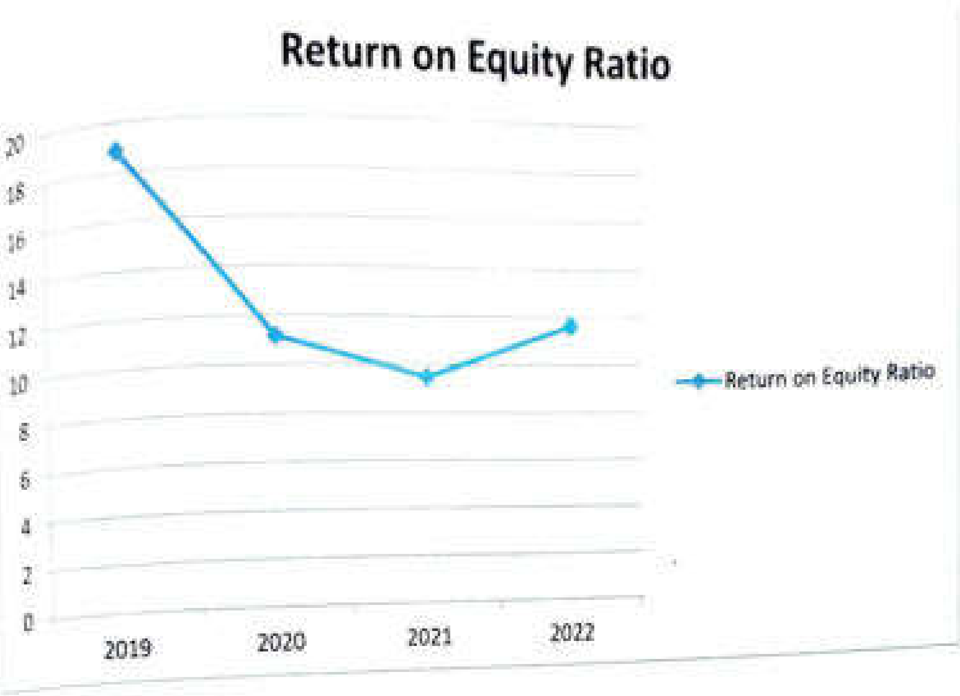
In 2021, the ROE further decreased to 9.4483%, signaling continued challenges in profitability and efficiency in utilizing equity capital. By 2022, there was a slight improvement in ROE to 11.6136%, indicating a partial recovery in profitability relative to shareholder equity, although it remained lower than the 2019 levels.

Reasons

Profitability Challenges: The decrease in ROE from 2019 to 2021 could be attributed to challenges in maintaining profitability amidst market fluctuations, competitive pressures, or increased operating costs.

Equity Management: The increase in shareholder equity from 2019 to 2022 suggests potential capital injections or retained earnings. However, the decline in ROE indicates that these investments did not translate into proportional increases in net income, pointing to potential inefficiencies in capital deployment or operational challenges.

FIGURE



Return on Equity Ratio

Table No.

4.2.6 Return on Assets (ROA)

Year	Profit after Tax	Total Assets	ROA
2019	1,78,94,810	40,08,02,802	4.4647
2020	2,55,23,248	30,37,53,494	8.4026
2021	5,462,357	321,073,285	1.7012
2022	8,142,985	426,358,375	1.9098

(Source: Primary data)

Interpretation of Return on Assets (ROA) (2019-2022)

The Return on Assets (ROA) for Shibe Auto Kagal Pvt Ltd measures how effectively the company generates profits from its total assets over the period from 2019 to 2022. ROA is a crucial financial metric that indicates the company's efficiency in utilizing its assets to generate profit.

In 2019, the ROA was 4.4647%, indicating that the company generated approximately 4.46% in profit from its total assets. This suggests efficient asset utilization and effective management of investments. The ROA improved significantly in 2020 to 8.4026%, indicating a notable increase in profitability relative to total assets, possibly due to higher net income or more efficient asset management.

However, in 2021, the ROA decreased sharply to 1.7012%, signaling challenges in maintaining profitability amidst changes in market conditions or operational inefficiencies. By 2022, there was a slight improvement in ROA to 1.9098%, suggesting some recovery in profitability relative to total assets, although it remained lower than the peak in 2020.

Reasons

Profitability Variability: The fluctuations in ROA from 2019 to 2022 reflect changes in profitability relative to total assets. Factors such as varying sales volumes, cost management practices, and economic conditions in the Kolhapur sub-dealership's market can influence these fluctuations.

Asset Management: Efficient management of assets is crucial for maintaining a high ROA. Changes in asset turnover, asset efficiency, or depreciation policies can impact profitability and ROA over time.

Market and Economic Conditions: Economic downturns or shifts in consumer demand in the Kolhapur area may have affected sales volumes and profitability, influencing ROA negatively in certain years.

Strategic Investments: Strategic investments in technology, infrastructure, or market expansion can enhance asset productivity and improve ROA. Conversely, misallocation of resources or ineffective investment decisions can lead to lower ROA.

FIGURE

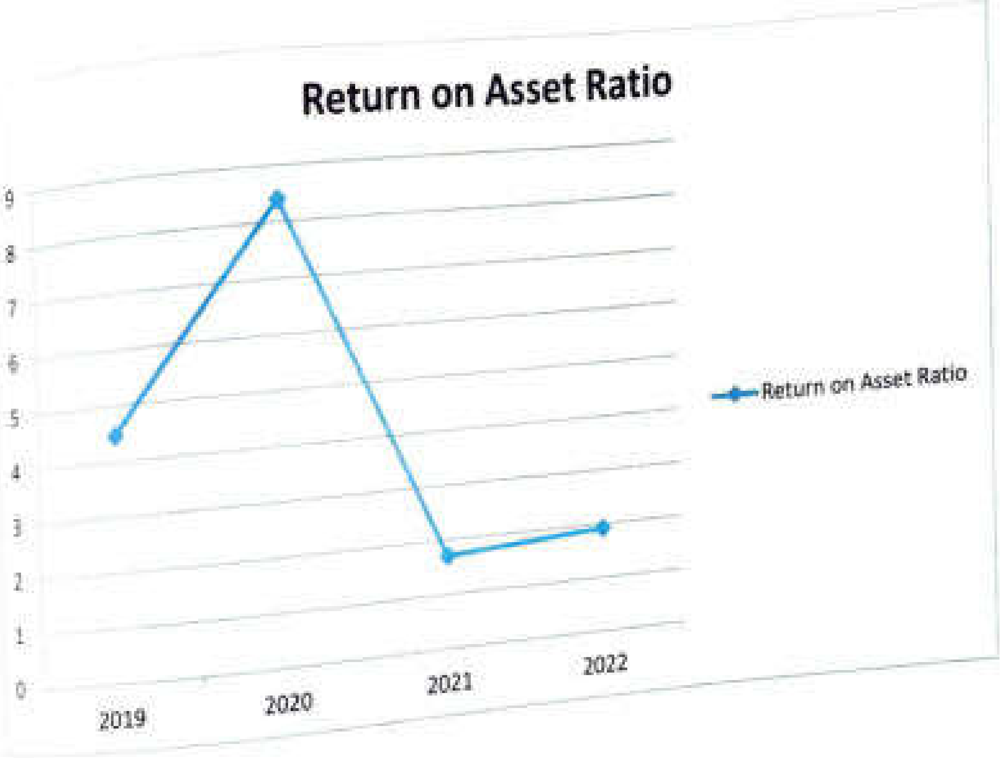


Table No.

4.2.7 Return on Capital Employed (ROCE)

Year	EBIT	Capital Employed	ROCE
2019	2,69,12,842	24,089,632	1.1171
2020	2,86,51,564	23,089,689	1.2408
2021	8,082,612	12,422,558	0.6506
2022	8,142,985	5,649,905	1.4412

Interpretation of Return on Capital Employed (ROCE) (2019-2022)

The Return on Capital Employed (ROCE) for Shibe Auto Kagal Pvt Ltd measures how efficiently the company generates profits from its capital investments over the period from 2019 to 2022. ROCE combines profitability and capital efficiency, providing insights into the company's ability to generate returns for its capital providers.

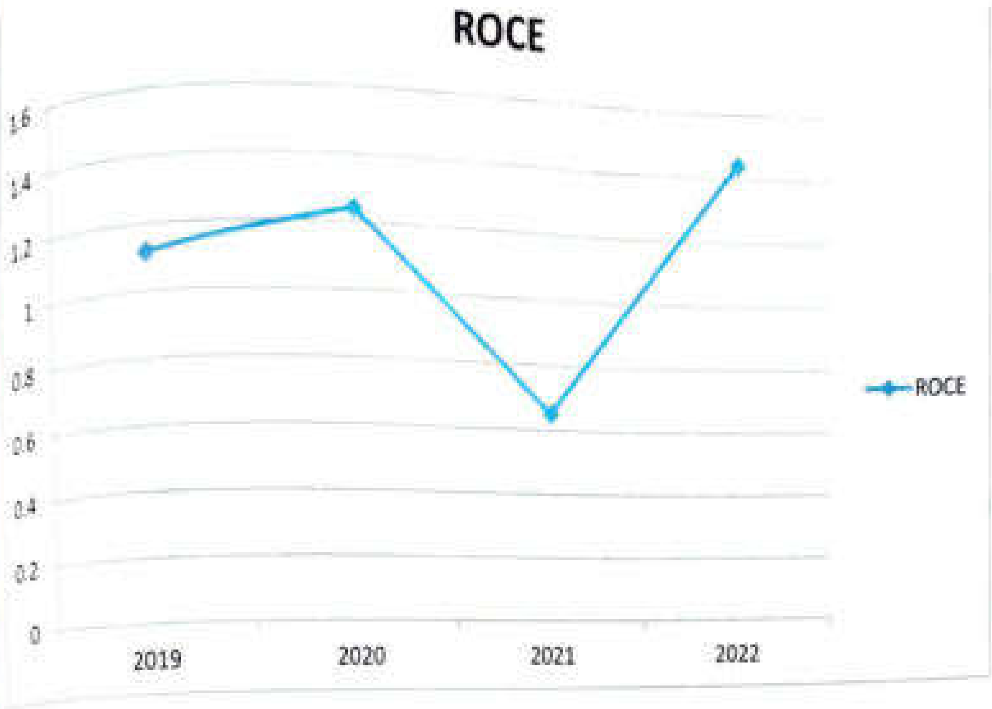
The ROCE shows variability over the years, influenced by factors such as profitability trends, asset utilization, and cost management practices. In 2019 and 2020, ROCE was relatively low but showed some stability, reflecting moderate profitability relative to capital employed. However, in 2021, ROCE declined sharply to 0.6506%, indicating challenges in generating profits from capital investments amidst lower profitability and capital efficiency. By 2022, ROCE improved to 1.4412%, signaling a partial recovery in profitability and capital efficiency, possibly due to improved cost management and asset utilization.

Reasons

Profitability Trends: Fluctuations in ROCE correlate with changes in profitability metrics such as ROA and ROE, reflecting how effectively the company utilizes its capital to generate profits.

Capital Efficiency: Changes in capital employed and operational efficiency impact ROCE. Efficient capital allocation and strategic investments can enhance ROCE, while inefficiencies or economic downturns may lower it despite increased profits.

FIGURE



LIQUIDITY RATIO

4.2.8 Current Ratio

Year	Current Asset	Current Liability	Current Ratio
2019	235,632,096	376,713,170	0.6254
2020	127,178,679	303,742,027	0.4187
2021	146,152,762	308,650,727	0.4735
2022	249,698,863	432,008,280	0.5779

(Source: Primary data)

Interpretation of Current Ratio (2019-2022)

The Current Ratio for Shibe Auto Kagal Pvt Ltd measures its ability to meet short-term obligations with its short-term assets over the period from 2019 to 2022. A current ratio below 1 indicates potential liquidity issues, as current liabilities exceed current assets.

The company's current ratio has shown fluctuations over the years, reflecting changes in liquidity and financial health. In 2019, the ratio was 0.6254, suggesting that current assets were insufficient to cover current liabilities, indicating potential liquidity challenges. This worsened in 2020 with a ratio of 0.4187, indicating a significant decline in liquidity and the company's ability to meet short-term obligations.

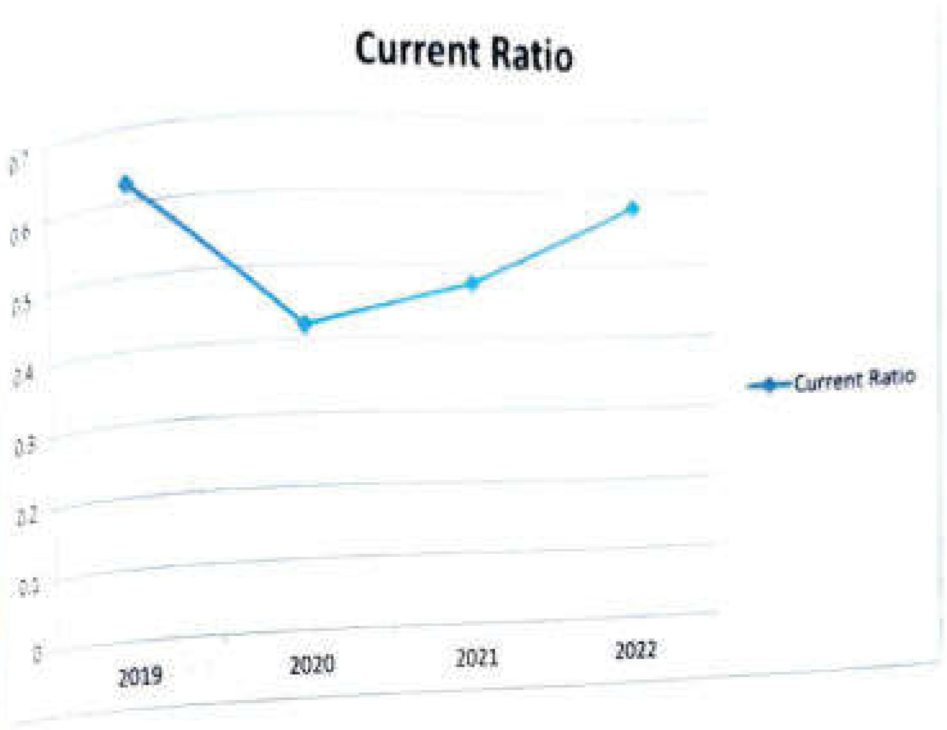
By 2021, there was a slight improvement with a current ratio of 0.4735, but it remained below the ideal ratio of 1.0, indicating continued liquidity concerns. In 2022, the ratio improved further to 0.5779, reflecting better liquidity management, although challenges in meeting short-term obligations persisted.

Reasons

Liquidity Management: Fluctuations in the current ratio reflect changes in the company's ability to manage its short-term liquidity effectively. Factors such as cash flow management, inventory control, and accounts receivable management impact liquidity ratios.

Financial Health: Changes in the current ratio correlate with profitability trends and operational efficiency. Low current ratios can indicate over-investment in non-liquid assets or inefficient use of current assets to cover short-term liabilities, affecting overall financial health and stability.

FIGURE


Current Ratio
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
2019
2020
2021
2022
Current Ratio

4.2.9 Liquid Ratio

Year	Liquid Asset	Current Liabilities	Liquid Ratio
2019	216,197,362	376,713,170	0.5739
2020	106,470,010	303,742,027	0.3505
2021	119,467,186	308,650,727	0.3870
2022	225,212,821	432,008,280	0.5213

(Source: Primary data)

Interpretation of Liquid Ratio (2019-2022)

The Liquid Ratio for Shibe Auto Kagal Pvt Ltd measures its ability to meet short-term obligations using its most liquid assets over the period from 2019 to 2022. A liquid ratio below 1 indicates potential challenges in meeting short-term liabilities with liquid assets alone.

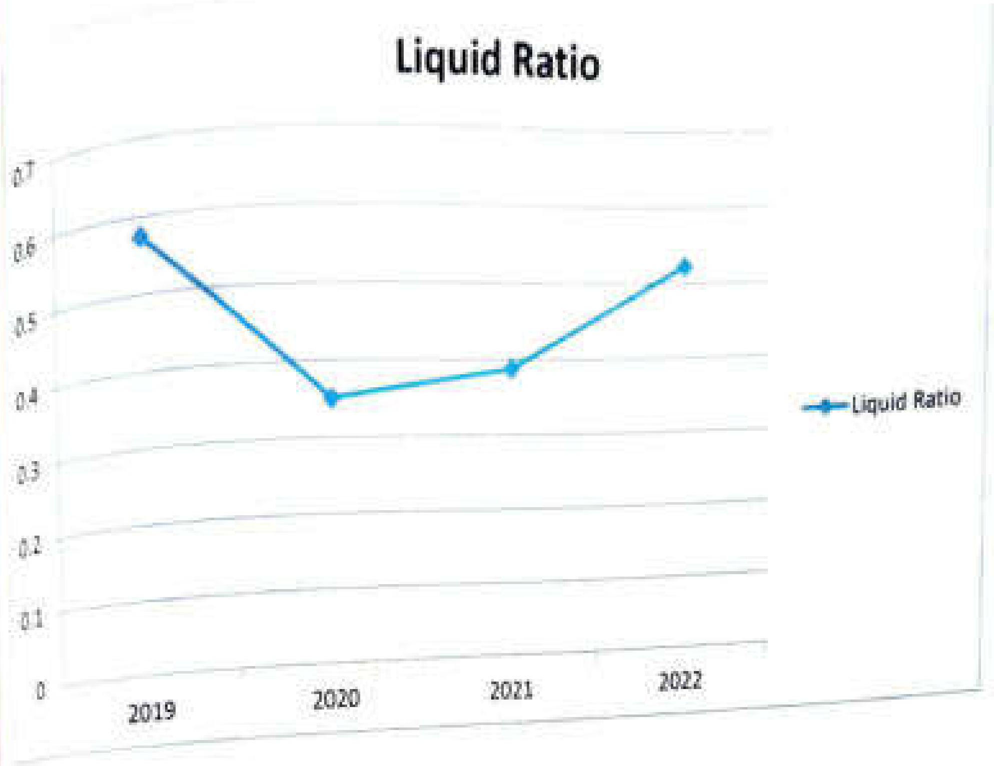
The company's liquid ratio has shown variability over the years, reflecting changes in the availability of liquid assets relative to short-term liabilities. In 2019, the ratio was 0.5739, suggesting that liquid assets were insufficient to cover current liabilities, indicating liquidity challenges. This worsened in 2020 with a ratio of 0.3505, indicating a significant decline in the company's ability to meet short-term obligations with its most liquid assets.

By 2021, there was a slight improvement with a liquid ratio of 0.3870, but it remained below the ideal ratio of 1.0, indicating ongoing liquidity concerns. In 2022, the ratio improved further to 0.5213, reflecting better management of liquid assets relative to short-term liabilities, though challenges in liquidity management persisted.

Reason

Liquidity Management: Fluctuations in the liquid ratio indicate changes in the company's ability to manage its most liquid assets effectively. Factors such as cash reserves, marketable securities, and short-term investments impact liquidity ratios.

FIGURE


Liquid Ratio
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
2019
2020
2021
2022
Liquid Ratio

5. FINDING, SUGGESTION AND CONCLUSION

5.1 Findings

The important findings of the study are;

1. The net profit ratio trends to be negative during the study period from 2019 to 2022 ranging from -0.654 to -2.6448.

2. The current ratio of the company shows a fluctuating trend in the four years. Generally the company having a standard current ratio 2:1. Therefore, this company's position is not good.

3. The Liquidity ratio also shows a fluctuating trend. It decreased in year 2020 & 2021 but increased in year 2019 & 2022. However, it fails to satisfy the standard ratio 1:1.

4. Gross profit ratio shows a fluctuating trend. It decreased from 2019 to 2020 then increased in 2021 to 2022.

5. Operating profit ratio shows upward trend in first two year from 2019 to 2020 then it started to decline from 2021 to 2022.

6. Operating ratio increased from year 2019 to 2020. The operating ratio was range from 59.9216 to 61.8007.

7. Return on equity ratio shows a positive ratio. It increased in year 2019 & 2022. But it decreased in year 2020 to 2021.

8. Return on asset ratio increased from year 2019 to 2020 but decreased in year 2021 to 2022. The Return on Asset was range from 1.7012 to 8.4026 during the study period 2019 to 2022.

9. Return on capital employed ratio shows a fluctuating trend which increases from year 2019 to 2020, it decreased in year 2021 then again increased in year 2022. The ratio measures how well a company is generating profits from its capital.

5.2 Suggestions

1. More focus towards the efficiency of the company.

2. Improving management quality with adoption of new methodologies that reduce operating cost.

3. Working capital management is to be effectively managed to increase the Liquidity position of the company.

4. Revise management of capital employed through equity to generate more Returns.

5.3 Strategic Recommendations

1. Cost Management: Implement rigorous cost control measures across all operations to reduce expenses and improve profitability.
2. Revenue Enhancement: Explore new markets, diversify product offerings, and strengthen sales and marketing efforts to boost revenue.
3. Liquidity Improvement: Enhance liquidity through better working capital management, optimizing inventory, and improving cash flow.
4. Operational Efficiency: Continuously improve operational processes to reduce costs and improve productivity.
5. Asset Utilization: Optimize the use of assets to ensure they are generating maximum returns.
6. Capital Structure Optimization: Review and optimize the capital structure to balance debt and equity effectively, ensuring sustainable growth and profitability.
7. Strategic Investments: Make strategic investments in technology, talent, and innovation to drive long-term growth and competitiveness.
8. Financial Planning and Analysis: Strengthen financial planning and analysis capabilities to provide better insights and support strategic decision-making.

5.4 Conclusion

Shibe Auto Kagal Pvt Ltd has faced significant challenges over the period from 2019 to 2022, as indicated by the financial ratios analyzed. The consistently negative net profit ratio is a clear indication of operational inefficiencies and potentially deeper systemic issues that need addressing. The fluctuating trends observed in the current ratio and liquidity ratio highlight the need for better financial management and liquidity planning. This can be achieved through enhanced working capital management and more effective cash flow forecasting.

The gross profit ratio's fluctuating trend suggests variability in cost management and pricing strategies. To mitigate this, the company should implement robust cost control measures and explore ways to optimize production processes. The initial improvement followed by a decline in the operating profit ratio indicates that while some operational efficiencies were achieved, they were not sustained. This underscores the need for continuous improvement in operational processes and strategic pricing decisions.

The increasing operating ratio is a concern as it indicates rising operational costs relative to net sales. This trend must be reversed through cost reduction strategies, such as streamlining operations and adopting cost-saving technologies. The return on equity ratio, despite showing a positive trend overall, has decreased in certain years, suggesting that the company needs to focus on consistent profitability and efficient use of shareholders' equity.

The return on assets ratio, which increased initially but later decreased, indicates that the company needs to better manage its assets to ensure they are generating adequate returns. This requires a focus on asset utilization and ensuring that investments are yielding sufficient returns. The fluctuating return on capital employed ratio highlights the need for a strategic approach to capital management, ensuring that the company is generating profits from its capital investments.

To address these challenges and improve its financial health, Shibe Auto Kagal Pvt Ltd should prioritize the following strategic actions. First, rigorous cost control measures should be implemented across all operations to reduce expenses and improve profitability. Second, the company should explore new markets and diversify its product offerings to enhance revenue. Third, improving liquidity through better working capital management and optimizing inventory levels is crucial. Fourth, continuous improvement in operational processes is necessary to reduce costs and improve productivity.

Moreover, optimizing asset utilization to ensure they are generating maximum returns and reviewing the capital structure to balance debt and equity effectively will support sustainable growth and profitability. Strategic investments in technology, talent, and innovation will drive long-term growth and competitiveness. Lastly, strengthening financial planning and analysis capabilities will provide better insights and support strategic decision-making.

In conclusion, Shibe Auto Kagal Pvt Ltd has significant potential for improvement. By addressing the areas of concern highlighted in this analysis and implementing the recommended strategic actions, the company can overcome its current challenges and pave the way for sustainable growth and profitability. This comprehensive approach will ensure that Shibe Auto Kagal Pvt Ltd not only stabilizes its financial health but also positions itself for long-term success in a competitive market.

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ANNEXURE

Certificate on the letter head of Shibe Auto kagal Pvt Ltd. Regarding the a Project **Report** A study on profitability analysis in automobile company with special reference to Shibe Auto Kagal Pvt Ltd [sub-dealership] (Suzuki) Kagal, Kolhapur

Shibe Auto Kagal

SUZUKI

Address: Shibe Auto Kagal,
Near S K Servicing Center,
Kagal-Murgud Road,Kagal - 416216

Contact:
7757899598, 7038714630

(Authorized Suzuki Sub-Dealer Kolhapur)

GSTIN No.: 06AAACI5832P1Z9

Date: 04/03/2024

From:
Shibe Auto Kagal

Director:
Samit Sharad Shibe

Address:
Near S.K Servicing Center,
Kagal-Murgud Road,
Kagal - 416216

Contact:
7038714630 / 7757899598

To:
Vedang Maitreya Bhagwat
Student of M.Com
Vivekanand College, Kolhapur

Subject: Assistance Provided for Project Report on Profitability Analysis of our company

---

Dear Vedang Maitreya Bhagwat,

This letter is to confirm the details regarding the assistance provided by Shibe Auto Kagal Pvt Ltd for your project report titled:**A Study on Profitability Analysis in Automobile Company with Special Reference to Shibe Auto Kagal Pvt Ltd [Sub-Dealership] (Suzuki) Kagal, Kolhapur**

1. You have visited our sub-dealership at Kagal multiple times to observe and collect data for your project work.

Shibe Auto Kagal

Address: Shibe Auto Kagal,
Near S.K Servicing Center,
Kagal-Murgud Road,Kagal -
416216
Contact:
7757899598, 7038714630
(Authorized Suzuki Sub-Dealer
Kolhapur)
GSTIN No.: 06AAACI5832P1Z9

2. All the data provided by the director has been given in good confidence.
3. Please note that Shibe Auto Pvt Ltd will not provide system-generated Profit & Loss statements and balance sheets, along with other financial reports, as it is against our company policy and a matter of confidentiality.
4. Access to the latest data for the financial year 2023-2024 was not given, as the data has not been finalized and to maintain secrecy regarding current year data to prevent misuse by competitors.
5. Data collection spanned over a six-month period from 01/09/2023 to 01/03/2024.
6. Your honest and fair efforts, as well as your decent behavior during this period, have been appreciated.
7. You were given access to our systems and financials with full assurance of confidentiality.
8. You have assured that the data will be strictly used for the project purpose.
9. We extend our good wishes for the years to come and good luck for your future endeavors.

Yours truly,

Samit shibe

Samit Sharad Shibe
Director and Owner
Shibe Auto Pvt Ltd