CHAPTER VIII

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INTRODUCTION:

After having been studied the various aspects of ECCS and its benefits to the members in Ahmednagar district, here the researcher is giving the summary of the main findings. The finding and conclusions will be useful to the management of ECCS, Sponsoring Bank, Co-operative Department and Members regarding Co-operation in Maharashtra and particularly in Ahmednagar District. This chapter is devoted to findings and conclusions. In this study an inquiry has been made into the overall financial performance of the ECCS in Ahmednagar District. The study of the important aspects of ECCS, their efficiency in liquidity, profitability, solvency and operating efficiency has been analyzed. The need for effective control on financial operation of ECCS is studied. The main findings and conclusions have been derived by the researcher on the basis of the available data of the field.

The following have been the various conclusions of the study.

1. It has been observed that the co-operative principle like open and voluntary membership, democratic control on management, limited interest on capital, equitable distribution of surplus, co-operative member education and co-operation amongst co-operative have been judiciously and sincerely practiced by ECCS in some extent because of nature and type of Co-operative societies.

2. Maharashtra state stands first in the country in implementation of co-operative movement as it is conspicuous that the non-agricultural credit societies rose by nearly 15 times. The marketing societies rose nearly 3 times during 44 years. The highest magnitude of increase was worked in the case of social service and other Co-operative societies including
consumer stores, housing etc. In totality, thus the Co-operative societies in the state rose from 31,565 to 2,00,740 during 1961 to 2007, indicating more than five times increase over the base year. The Co-operative movement in Maharashtra showed satisfactory performance through the working of the different Co-operative credit societies. (Table No.2.01).

3. Co-operative movement in Ahmednagar District is a continuous progress and development in the study period. It shows that there was a growth in membership, share capital, deposit, working capital and a decrease in reserve fund (Table No.2.02).

4. The Nasik region stands second regarding ECCS activity in Maharashtra State. The region covers five districts in which Nasik district stands first and third in the state regarding ECCS. Out of remaining Ahmednagar district has 215 ECCS, Jalgaon district has 181, Nandurbar has 58 ECCS respectively. The Ahmednagar district shows the scope for ECCS activities compare to Dhule, Jalgaon, Nandurbar and Nasik district. Ahmednagar district stands 12th position as compared district in Maharashtra. (Table No.2.03).

5. It has been observed that the performance of the ECCS in Maharashtra shows continuous signs of progress and development in the study period. It indicates the best performance of the ECCS. It also shows that there was a growth in share capital, reserve fund, deposit, working capital, loan outstanding and net profit. It indicates a good progress. A decrease in loan overdue indicates a good recovery of the loan. The membership and share capital of the ECCS in Maharashtra decreased during the study period due to the voluntary retirement scheme adopted by the employers in their Organisation (Table No.2.04).

6. It has been observed that the performance of the ECCS in Ahmednagar District shows continuous signs of progress and development in the
study period. It indicates the best performance of the ECCS. This also shows that there was a growth in Membership (-1.58%), share capital (42.43%), reserve fund (83.22%), working capital (55.02%) and loan outstanding (57.18%) and loan overdue (-43.22%). It indicates a good progress. A decrease in the loan overdue indicates a good recovery of the loan. The Deposit and loan overdue of the ECCS in Ahmednagar District had decreased during the study period. (Table No. 2.05).

7. It is observed that, In the year 2006-07, the number of Co-operative societies was registered, 200740 in Maharashtra, out of them, 7211 ECCS representing 3.59% of the state of which 215 ECCS representing 2.98% in Ahmednagar District. The number of Co-operative societies in Maharashtra during the year 2002-03 was 173402, which increased to 200740 during the study period. The Co-operative societies in Maharashtra have increased by 15.77% during the study period. The number of the ECCS in Ahmednagar District during the year 2002-03 was 213, which increased to 215 during the study period. The ECCS in Ahmednagar District had increased by 0.94% during the study period. The researcher has observed a number of ECCS showing continuous decrease in Maharashtra and a slight increase in Ahmednagar District. (Table No. 2.06).

8. The researcher has analyzed the Progress of the ECCS in Maharashtra and Ahmednagar District. As far as the number of societies is concerned, there were 7211 ECCS in Maharashtra, out of them 215 (2.98%) ECCS were in Ahmednagar district. The number of members of the ECCS is 30.32 Lakhs in Maharashtra out of which Rs. 1.02 Lakhs (3.36%) is in Ahmednagar in the year 2006-07. The total paid up capital of ECCS in Maharashtra was Rs. 1975.33 Lakhs out of which Rs. 147.27 Lakhs (7.56%) was in Ahmednagar District. The reserve fund and other funds of the ECCS in Maharashtra were Rs. 3098.29 Lakhs out of which Rs.
64.58 Lakhs (2.08%) were in Ahmednagar District. The deposit of Co-operative societies in Maharashtra was Rs.2453.76 Lakhs out of which Rs.187.45 Lakhs (5.38%) was in Ahmednagar District. The total loan outstanding of Co-operative societies in Maharashtra was Rs.5697.88 Lakhs out of which Rs. 419.83 Lakhs(7.37%) were in Ahmednagar District and the working capital of Co-operative societies in Maharashtra was Rs. 8064.65 Lakhs out of which Rs.556.54 Lakhs(7.02%) was in Ahmednagar District in the year 2006-07. (Table No.2.07).

9. It has been found that the origin of the ECCS gets back to the First World War which received an impetus during the Second World War particularly when the employees of the Government of India services organized into credit co-operatives. We know number of example of railway employees credit co-operative, post employees credit co-operative, Defense Employees credit co-operatives and the Employees credit co-operatives in other public sector undertaking etc. Having realized the utility and importance of the employees’ credit co-operatives, the employees in small medium and large size organization both in the public and private sector came forward to organize their own credit.

10. It has been understood that in these ECCS, there is a restriction on membership made available only to the employees serving under the same employment, receiving deposits from their members only and advancing loans generally for consumption purposes. These are natural limitations for the growth of these co-operatives. Because of restricted membership, restricted avenues for organizing resources as also restrictions on loaning. These co-operatives have developed in a typically generated framework based on service conditions and service relationship. However, these ECCS have played a very crucial role for
the members. ECCS provides loans to meet members’ family needs such as education of children, religious functions including marriage etc., providing medical facilities and to some extent creating family assets like house or investment in productive resources like land or small business.

11. The byelaws provide for the ECCS to undertake non-credit business activities for the benefit of their members, the number of societies undertaking such activities is very low. Further, in some cases because of the influence of the employers, some societies have excessively diverted their funds to the non-credit business quite often disturbing the economic viability of the society and neglecting their primary objective of providing credit to their members.

12. It was found that the ECCS functions according to its byelaws and circulars issued by Co-operative department. The loans to be advanced are linking up with deposits or savings of the members and his monthly salary. Co-operative department lays down the upper ceiling limit. The present limit is of Rs. 3, 50,000/- Besides the credit limit has also a relation with share holding and salary per month of a member in a society. The long term loan limit of 60 installments has now been increased to 84 installments by the recent circular from the co-operative department. Emergency loans are up to Rs. 10,000 to be repaid in 10 to 12 installments.

13. It has been observed that out of the overall staff of the sample ECCS, 68.19% ECCS were appointed as full time and 31.82% as part time. It is good for an ECCS to have a full time staff to maintain the books of account. The part time staff does not maintain the books of account properly. Thus, some ECCS started using EDP System. 22.73% ECCS were doing the non credit activities. The ECCS which were larger in membership, were doing non credit activities and were working at
Taluka as well as district levels, they have 10 to 22 numbers of staff. Some ECCS accepted the policy of offering rebate on the interest and some special gifts to the members. So the expenditure was increased and naturally profit decreased. It has been observed that the in private sector ECCS, the chief executive is given an Ex-officio position in the ECCS as a president.

14. The credit Co-operative was divided into two major groups namely Agricultural Credit and Non-agricultural Credit. The employee’s credit co-operatives fall under the later category and it works as a small Banking system. The Co-operative Banking structure is pyramidal. At the base, that is, at the village level, there is a primary credit society upon which the whole edifice of the Co-operative Credit is based. These societies are federated at the district level, into a central society called the central Co-operative bank. At the state level, the district banks are federated into an apex bank. The Apex or state Co-operative bank in its turn is closely linked with the Reserve Bank of India, which provides a considerable financial assistance to the Co-operative Credit structure. The Employees Credit Co-operative Societies group is the third type in the non-agriculture co-operative credit structure.

15. The MSC Bank shows a sign of continuous progress and development in the study period. It is conspicuous that there was a growth in membership, share capital, reserve fund, investment, deposit, working capital and net profit. There was also an increase in the loan overdue that indicates a bad recovery of the loan. That was against the development of the MSC Bank (Table No.4.01).

16. It has been found that DCC Bank performed satisfactorily. Its performance shows that there was a growth in membership, Branches, share capital, reserve fund, deposit, and working capital. There was also
an increase in the loan overdue that indicates a bad recovery of the loan. That was against the development of the DCC Bank. (Table No.4.02).

17. The ADCC Bank shows the continuous sign of progress and development in the study period. The ADCC Bank got 'A' class of Audit every year. It indicates the best performance of the bank. This performing parameters show that there was a growth in membership, share capital, reserve fund, investment deposit, and loans and advances; but there was a decrease in the net profit. The Bank is financially sound, having sufficient working capital, strong asset base capacity to suffer losses, has built up sufficient reserve, negligible dues and is efficiently administered and managed. (Table No.4.03).

18. The ECCS is the internal part of the Co-operative structure. It shows the relationship between the ECCS and the ADCC Bank. It has been observed that the number of ECCS affiliated to ADCC was 121 in the year 2006-07. In Ahmednagar district the registered ECCS are 215 as on 31st March 2007. Out of them 121 ECCS (56.08%) are affiliated to ADCC Bank, Ahmednagar. It indicates that most of the ECCS are becoming self sufficient. (Table No.4.04).

19. The researcher has observed in general financial management and supervision of the Employees Co-operatives Credit Societies. The structure of machinery for control and supervision of the societies and the legal provisions regarding the same have also been preset. These ECCS follow the preset sections and rules of the respective acts in order to smooth their working. Some of these ECCS are not conscious of these rules and regulations.

20. During the period under study, out of the ECCS under study 6 ECCS (27.27%) showed increasing trend, while the remaining 18 ECCS (72.72%) showed a declining trend in membership. It also recorded a
continuous decrease over base year except educational institutions like Ahmednagar District secondary Teacher’s ECCS, Ahmednagar and S.P. Sanstha’s ECCS, Sangamner (Table No.6B-01).

21. The sample was divided into six groups on the basis of capital for the sake of convenience and better comparison. It is observed that the maximum increase in membership by 3.17% (Group 'A') and minimum increase in membership by 27.06% (Group 'B') during the period under study as compared to the base year 2002-03. ‘B’ Group had shown the maximum decrease in membership the reason behind that, 330 membership of the Kinetic Enng. ECCS, Ahmednagar left from company due to companies’ voluntary retirement scheme and labour turn over in the year in 2006-07. (Table No.6B-01).

22. It is observed that Group ‘A’ had recorded the maximum increase in the paid up capital i.e. by 48.65%, while Group ‘F’ had shown the maximum decrease i.e. by 0.72% in the period under study as compared to the base year 2002-03. There should be 25% increase in the paid up capital over pervious year so that the ECCS would get ten marks for audit classification as per circular dated Sept, 2002. During the period under study, out of the sample ECCS under study 6 ECCS (18.18%) showed a negative trend, 11 ECCS (50.00%) showed more than 25% increasing trend in paid up capital, while the remaining 5 ECCS (27.73%) recorded increasing trend between 15% to 25% in paid up capital. (Table No.6B.02).

23. It was found that Reserve fund and other fund of the Ahmednagar District Secondary Teacher’s ECCS, Ahmednagar had increased by 186.25%. Whereas, Reserve fund of Kinetic Enng. ECCS, Ahmednagar had decreased by 41.79% during the period under study as compared to the base year 2002-03. The analysis of the financial position of the
societies reveals that the societies which had strong reserves had better profits than the others, which is just a natural corollary of the fact that returns in the form of interest on reserve amount is 100% free of expenses and it is society’s income which does not have any legal or formal attachment of payment. Every Co-operative society has to transfer 25% profit to the reserve funds as per the MSC Act, 1960. (Table No.6B-03).

24. It is observed that Group 'C' recorded the maximum increase in the advances i.e. by 39.47%, while Group 'D' showed the minimum increase i.e. by 29.82% in the year 2003-04 over their respective previous years. In the year 2006-07 the maximum decrease shown was 23.57% in case of group 'E', whereas the maximum increase was recorded as 74.03% by group 'A'. Group 'A' had shown maximum increase. The reason behind this increase was the broad base of capital base of this Group and maximum number of reserve funds.

25. As regards deposit, all ECCS recorded a decline in percentage change over previous year. For the audit classification, there should be 25% increase in deposit over previous year, so that the ECCS gets ten marks for audit classification. Out of sample ECCS four were recorded more than 25% increase over previous excluding year 2006-07. Viz. unit No.5, 3, 18 and 21 and other an increase between 0.75 to 24.63%. The Mulaprawara Electricity’s ECCS, Shrirampur and Deolali Prawara PCCS's ECCS, Deolali Prawara, Rahuri recorded a decline over previous year. These societies had mobilized their fund through borrowing from the ADDC, Bank. It has been observed that out of the ECCS under study 20 ECCS (90.91%) had shown an increase in the deposits. However, the remaining two ECCS (9.09%) had shown a decreasing trend in deposits in the study period. (Table No.6B.04).
26. In the present analysis, it has been found that in case borrowing loan from ADCC Bank, out of sample ECCS, 31.82% ECCS recorded a decline in percentage change over the base year; 45.45% ECCS have recorded an increase and the rest of the ECCS i.e. 22.73 have not taken any loan at all because they have developed their owned fund. (Table No.6B.05).

27. If total advances are considered out of the ECCS under study 4 ECCS (18.18%) had shown an increase in the total volume of loan disbursement while the remaining 18 ECCS (81.82%) had shown decreasing trend in total loan disbursements during the period under study. (Table No.6B.06).

28. If Investment is considered during the period under study, out of the ECCS under study, 16 ECCS (72.73%) had shown an increase in Investment, while the remaining 06 ECCS (27.27 %) showed a decreasing trend in Investment. (Table No.6B-07).

29. During the period under study, if income is considered, out of the ECCS under study 13 ECCS (59.09%) showed an increase in the income, while the remaining 09 ECCS (40.91 %) recorded a decreasing trend in income (Table No.6B.08).

30. It was observed that the maximum increase in Expenditure was shown as 959.15 % by Newasa Taluka Co-op. Soci.’s ECCS, Newasa whereas the maximum decrease recorded was at 47.97 % by the Dudh Kamgar’s Co-op. Credit Societies, Babaleshwer during the period under study as compared to the base year 2002-03. Overall expenditure of sample ECCS has increased by 31.98 % during period under study out of the ECCS under study 13 ECCS (59.09%) have shown increase in Income, while the remaining 09 ECCS (40.91 %) has shown decreasing trend in expenditure. (Table No.6B.09).
31. It has been observed that the Net profit of the Ahmednagar District Secondary Teacher’s’s ECCS, Ahmednagar had increased by 186.25% whereas net profit of Kinetic Engg. ECCS, Ahmednagar had decreased by 41.79% during the period under study as compared to the base year 2002-03.

32. It has been observed that Group 'A' has recorded maximum increase in Net profit i.e. by 75.79%, while Group 'D' showed the minimum increase in the Net profit i.e. by 55.64% in the year 2003-04 over their respective previous years. In the year 2006-07 the maximum increase shown was 267.52% in case of Group 'F', whereas, Group 'A' showed minimum increase that was 191.58% in net profit during the period under study as compared to the base year 2002-03. Group 'A' recorded a decrease in the Net Profit because most of ECCS in Group 'A' were adopted the policy to merge the profit to avoid excess burden of Reserve fund. These ECCS allowed 1% to 10% rebates on Interest on members' loan. Overall average the Net Profit was decreased by 47.63% during the period under study as compared to the base year 2002-03. (Table No.6B.10).

33. As regards overdue, out of the sample ECCS, 6 ECCS (27.27%) recorded a decline in percentage change over the base year. 9 ECCS (40.91%) had not recorded any overdue and 7 ECCS (38.82) recorded an increase in the percentage change over the base year. It is observed that all ECCS recorded less than 5% overdue except out of the samples ECCS (7.18%). Dudh Kamgar’s Co-op. Credit Societies, Babaleshwer, Rahata (8.84%) and Newasa taluka Co-op. Soci.'s ECCS, Newasa are the exception. (Table No.6B.13).

34. The average percentage of the overdue per ECCS was lowest i.e. 1.76% and Overall overdue of the sample ECCS had decreased by
33.99% during the period under study as compared to the base year 2002-03. It is more than normal and ideal ratio. The overdue was increased in seven ECCS (38.82%) due to long leave, labour turnover, transfer of employee members of ECCS, death of loan holders and recovery procedure and methods procedure adopted by managing committee etc.

35. Out of the sample ECCS, 7 ECCS (31.82%) had not generated fund through Deposit and 14 ECCS (63.64%) failed to maintain the CD ratio at an ideal level and liquidity and security over entire period under study. This norm of CD ratio is not suitable for the ECCS; hence, separate and suitable norms should be developed for the ECCS.

36. It has been observed that out of sample ECCS, 20 ECCS (90.91%) have got 'A' class in the base year (2002-03), indicating the efficiency of performance and cent percent recoveries and the same has decreased to 14 ECCS (63.63%) in the year 2006-07 due to circular issued in September, 2002 by The Commissioner of Co-operation Maharashtra State regarding 200 marks for the allotment of Audit Class to ECCS. In the said marking system, certain marks are given to factual aspects viz. the Credit Deposit ratio, loans to priority sector, loans to weaker section etc. but these aspects are not applicable to the ECCS in future adversely, down grading of 'Audit Class'. Hence new 'Audit Class' norms are not suitable to the ECCS in some respects. (Table No.6B.15).

37. It is found that out of the sample ECCS, 4.54% ECCS paid dividend up to 5%, 6 to 10% dividend was paid by 13.64%, dividend paid as 10 to 14% by 54.54% and 15% dividend paid by 27.28% ECCS during the base year 2002-03, whereas 13.64% ECCS paid dividend up to 5%, 6 to 10% dividend was paid by 40.91% ECCS, dividend was paid as 10 to 14% by 54.54% ECCS and 15% dividend paid by 27.28% ECCS.
during the year 2006-07. During the period under study, if the rate of dividend is considered, out of the sample ECCS, 6 ECCS (27.28%) showed increasing trends, while the remaining 16 ECCS (72.72%) showed a decreasing trend in rate of dividend. Though the status provides for payment of dividend on share capital up to 15%, majority of the ECCS remain content by paying lower dividends. The ECCS prefers to grant interest rebates to members according to the co-operative principle of user beneficiary. (Table No.6B.12)

38. It is conspicuous that out of the sample ECCS 9.09% ECCS are owned funded as they depend on their own Capital. They are also known as self reliant. ECCS.18.18% ECCS used their own fund as well as members deposit. 22.73 % ECCS have adopted the mixed capital structure as they used their own fund and Loan from ADCC Bank and the rest of the sample ECCS i.e. 50% used their own fund, loan from ADCC Bank and members’ deposit during the study period.

39. The total membership of the sample ECCS has decreased from 24016 in 2002-03 to 23811 in 2006-07. The membership was decreased by 1.52% during the study period due to members’ compulsory retirement in recession as well statutory retirement.

40. It has been observed that the total fund of the sample ECCS is made of owned fund and the borrowed fund. The total fund was Rs.24418.10 lakhs. Out of that the owned fund was 24.46 % and the borrowed fund was 75.54 %. The ECCS utilized maximum borrowed fund for advancing loans to their members.

41. The total owned fund of the sample ECCS was Rs.5972.52 lakhs. The portion of share capital was Rs.3611.55 lakhs (60.47 %) and the reserve fund and others fund were Rs.2360.97 lakhs (39.53 %). it shows that most of the ECCS generated their own fund through Share capital.
42. The total borrowed fund of the sample ECCS was Rs. 18445.58 lakhs. The portion of deposits was Rs.11200.85 lakhs (60.72 %) and the loan from ADCC Bank was Rs.7244.33 lakhs (39.28 %). It shows that most of the ECCS generated their borrowed fund through deposits from members.

43. The total Share capital of the ECCS has grown from 3071.08 lakhs in 2002-03 to Rs.3611.55 lakhs in 2006-07. The Share capital was increased by 42.43%.

44. The total reserve fund and other funds of these ECCS have increased from Rs.1442.34 lakhs in 2002-03 to Rs.2360.97 lakhs in 2006-07. These funds were increased by 43.22% because as per the MSC Act 1960 Sec. 66, every society which does, or can, derive a profit from its transaction shall maintain a reserve fund at least one forth of the net profit each year.

45. The total Deposits of the ECCS have registered a remarkable growth from Rs. 6146.56 lakhs in 2002-03 to Rs.11200.85 lakhs in 2006-07. The deposits of these ECCS were increased by 82.23%. It shows that the ECCS have succeeded in winning the members confidence and so also the efforts taken by the management to promote the thrift.

46. The total loan from the ADCC Bank of the ECCS has grown from Rs 5610.99 lakhs in 2002-03 to Rs 7244.73 lakhs in 2006-07. The loan from ADCC Bank was increased by 29.12% during the study period.

47. The total loan outstanding of the sample ECCS was raised from Rs. 14665.39 lakhs in 2002-03 to Rs.23050.97 lakhs in 2006-07. The outstanding was increased by 57.18% due to an increase in the members’ salary and in the loan limit to members.

48. The total working capital of the ECCS was increased from Rs.17477.69 lakhs in 2002-03 to Rs.27093.79 lakhs in the year 2006-07. The working capital was increased by 55.02% during the study period. The sources of
funds and application of funds of the sample ECCS were increased; therefore, the working capital of the ECCS was also increased naturally.

49. The total income of the ECCS was increased from Rs.2295.59 lakhs in 2002-03 to Rs.2544.15 lakhs in 2006-07. The income was enhanced by 10.82% during the study period.

50. The total expenditure of the sample ECCS was increased from Rs.1683.30 lakhs in 2002-03 to Rs.2221.60 lakhs in 2006-07. It was extended by 31.98% during the study period. The expenditure was increased by offering rebate on interest on the loan to members and gifts to members on a special occasion such as Diwali in order to adopt the policy of merging the profit.

51. The total net profit of these ECCS was decreased from Rs.615.35 lakhs in 2002-03 to Rs.322.28 lakhs in the year 2006-07. Actually all these ECCS were in profit but the proportion of the total net profit went down by 47.63% as compared to the base year. It has been found that during the study period the total expenditure of the sample ECCS was increased three times than the total income.

52. The average overdue of the sample ECCS was decreased from 2.21% in the year 2002-03 to 1.35% in the year 2006-07. It was decreased by 33.99% as compared to the base year. The average overdue of these ECCS was 1.76%. The problem of overdue is not serious in the case of ECCS because these ECCS have their own distinct methods for the recovery of loan through pay roll as per Sec.49 of the MSC Act, 1960.

53. It is apparent from the ratio analysis that the current ratio of Dudh Kamgar’s ECCS Babaleshwer is the highest i.e.6.68:1 because this ECCS had less amount of liabilities as compared to current assets and the minimum current ratio is of the Sahakari Bank ECCS, Ahmednagar; which was 0.75:1 as it has used low cash credit facility. Out of the sample ECCS, 36.36% ECCS have shown more than the standard;
54. 54.54% ECCS could not maintain the ratio as per the standard and 9% ECCS had no current liabilities since they were self reliant.

55. It has been found that in case of Return on Equity ratio, all ECCS have shown higher ratios because of more disbursement of loan in order to get more profits. One case out of the sample has shown a very different and interesting result, the Shri Sai Sansthan’s ECCS, Shirdi recorded ROE as 1230.22%. It was observed that this is due to less number of members, low capital, high turnover of loan and other activities undertaken resulting in high profitability.

56. It was observed that in case of Net Profit to Total Income ratio, out of the sample ECCS, the minimum ratio of Crompton Greaves ECCS, Ahmednagar (12.63%) and maximum ratio of Malpani Udyog ECCS, Sangamner (91.71%), during the study period. Malpani Udyog’s ECCS, Sangamner has recorded the ratio (91.71%) due to more self reliance and zero expenditure on interest paid on borrowed funds.

57. It has been observed that in case of Net Profit to Loan ratio, out of the sample ECCS 59.09% ECCS have recorded ratio of more than 5% and remaining 40.91% ECCS have recorded the ratio in range of 0.95% to 5%. Majority of ECCS have shown a higher ratio as compared to the ideal standard because of an increase in the net profit during the period under study. Though the ECCS have shown consistent profitability, the deviations in the above ratios is due to the fact that, though there are profits, but the net profits are showing decreasing trends. Most of the ECCS were found to have used the policy of merging the profits.

58. In case of Net Profit to working capital ratio, Majority of the ECCS have shown the ratio more than 1% except Deolali Prawara PACC’s ECCS, Deolali Prawara (0.70%). If the Net Profit to working capital ratio is higher, then it indicates more profitability.
58. In case of Share Capital to Working Capital ratio, the minimum ratio (0.72%) is shown by Shri. Sai Sansthan’s ECCS, Shirdi and the maximum is shown by Malpani Udyog Samuh’s, ECCS Sangamner i.e. 72.33%, this maximum ratio is due to the fact that the ECCS has relied on own capital only. Majority of the ECCS have shown higher ratio than the standard, because they had the maximum portion of share capital in working capital of ECCS except Shri. Sai Sansthan, Shirdi due to less share capital and more loan disbursed to its member.

59. It has been analyzed that in case of Loan to Working Capital, Out of the sample ECCS, 22.73% ECCS have shown the ratio below the standard; 63.63% ECCS have shown the ratio above the standard and 13.64% ECCS have recorded the ratio as per standard during the period under study. Unit No.8, 9 and 16 have recorded the ratio 65.05%, 67.82%, and 67.40% respectively as per the standard. It has been observed that most of the ECCS have more portions of loan in the working capital.

60. Out of the sample ECCS, 18.18% ECCS have shown the ratio below the standard; 50% ECCS have shown the ratio above the standard and 31.82% ECCS have not mobilized their funds through deposits recorded the ratio Investment to Deposit as per standard during the period under study. It was observed that these standard norms were not known to the ECCS.

61. In case of the ratio Owned Fund to loan, the minimum ratio is shown by Crompton Greaves ECCS; Ahmednagar i.e. 13.64% because of these ECCS disbursed more loan than their own fund. The maximum ratio is recorded as 209.66% by Dudh Kamgar’s ECCS, Babaleshwer, Rahata during the period under study, due to these ECCS have utilized their fund to fulfill the financial requirements of their limited number of members.

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62. When the ratio deposit to working capital was seen it became clear that out of the sample ECCS 31.81% ECCS did not accept the deposits from their members; whereas, 4.55% ECCS showed the ratio above standard and 63.64% ECCS recorded the ratio below the standard.

63. The analysis of Interest earned to total income ratio shows that, The Agasti education’s ECCS Akole has lower ratio (12.72%) and Sangam Sakhar's ECCS, Ghulewadi has recorded higher ratio (98.36%) during the study period. An interesting observation can be made regarding the ratios shown by Agasti Education ECCS, Akole (12.72%) and Shree Sai Sansthas, Shirdi (23.74%). On analysis it was observed that the Agasti ECCS has given more rebates to members by charging lesser interest rates, resulting in lowering of interest income. Whereas the Sai Sansthas ECCS has concentrated more on allied businesses, which comprises significant part of their total income and also they have provided Rs. 10,000 interest free loans to each member, thereby reducing their own interest income.

64. When the ratio Interest paid to Total income was seen it became clear that large size capital ECCS have shown higher ratio because these ECCS have borrowed funds from various sources. 27.27% ECCS have shown the ratio as per the standard i.e. 35% to 50%.

65. A low ratio indicates operating efficiency and hence, the ECCS should try to bring down this ratio to improve its operational efficiency by either increasing their total income or by reducing their interest burdens on the borrowings.

66. It was observed in case of the ratio total income to working capital that majority of the ECCS have shown the ratio in the range of 10% to 14% except, Dudh Kamgar’s’s ECCS Babaleshwer (6.01%) and Deolali Prawara PACC’s ECCS, Deolali Prawara (2.32%). Higher the ratio it
indicates greater the efficiency. The Shree Saibaba’s ECCS, Shirdi (19.20%) has shown the maximum ratio during the study period.

67. The Researcher has analyzed the financial statements of the sample ECCS and has found that like other Business Organizations, the question of liquidity is not crucial for ECCS, considering the nature of the ECCS. Though they lend, most of the ECCS have not accepted deposits from outsiders, hence the need for maintaining liquidity did not arise.

68. It was found that the ROE shown by all the groups were in range of 13 to 15.46%, thus there was not much variation found in return on capital. Only one ECCS in Group F i.e. Shree Sai Sanstha’s ECCS, Shirdi has shown abnormal ROE of 326.29%. This is due to very low capital base and high earnings due to other allied activities.

69. It has also been observed that most of the ECCS under study succeeded in achieving the standard results in spite of their unawareness of financial management techniques. It may be due to their concentration on earning more profits and to fulfill members’ needs. Some of them have failed to achieve the desired standards as due to either they do not accept deposits or were dependent upon borrowed funds.

70. The analysis of the financial position of the ECCS has revealed that the ECCS which have strong reserves have better profits than others, which is just a natural corollary of the fact that returns in the form of interest on reserve amount is 100% free of expenses and it is the income of ECCS which does not have any legal or formal attachment of payment. It has already been suggested earlier that the society should strive more to build up their reserves.