Chapter:8

Conclusions and Suggestions

INTRODUCTION:

After having been studied the various aspects of SECCS and its benefits to the members in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. district, here the researcher is giving the summary of the main findings. The finding and conclusions will be useful to the management of SECCS, Sponsoring Bank, Co-operative Department and Members regarding Co-operation in Maharashtra and particularly in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District. This chapter is devoted to findings and conclusions. In this study an inquiry has been made into the overall financial performance of the SECCS in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District. The study of the important aspects of SECCS, their efficiency in liquidity, profitability, solvency and operating efficiency has been analyzed. The need for effective control on financial operation of SECCS is studied. The main findings and conclusions have been derived by the researcher on the foundation of the accessible information of the grassland. The subsequent 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 SECCS in some extent because of nature and type of Co-operative societies.

2. Maharashtra state stands first in the country in implementation of cooperative 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.
3. Co-operative movement in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. 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.

4. The Nasik region stands second regarding SECCS activity in Maharashtra State. The region covers five districts in which Nasik district stands first and third in the state regarding SECCS. Out of remaining Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. district has 223 SECCS, Jalgaon district has 187, Nandurbar has 63 SECCS respectively. The Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. district shows the scope for SECCS activities compared to Jalgaon, Nasik, Aurangabad, Latur, Pune, Kolhapur, Nagpur, Akola, Raigad and Thane. district stands 12th position as compared district in Maharashtra.

5. It has been observed that the performance of the SECCS in Maharashtra shows continuous signs of progress and development in the study period. It indicates the best performance of the SECCS. It also shows to facilitate here be a increase in go halves resources, keep support, 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 SECCS in Maharashtra decreased during the study period due to the voluntary retirement scheme adopted by the employers in their Organization.

6. It has been observed that the performance of the SECCS in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District shows continuous signs of progress and development in the study period. It indicates the best performance of the SECCS. 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 SECCS in District had decreased through the learning time.

7. It is experimental to, In the time 2006-07, the number of Co-operative societies was registered, 200740 in Maharashtra, out of them, 7211 SECCS representing 3.59% of the state of which 250 SECCS representing 2.98% in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District. The figure of Co-operative societies in Maharashtra
throughout 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 SECCS in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District during the year 2000-01 to 2009-10 was 197, which increased to 250 during the study period. The SECCS in District had increased by 0.94% during the study period. The researcher has observed a number of SECCS showing continuous decrease in Maharashtra and a slight increase in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane District.

8. The researcher has analyzed the Progress of the SECCS in Maharashtra and Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District. As far as the number of societies is concerned, there were 7211 SECCS in Maharashtra, out of them 250 (2.98%) SECCS were in district. The number of members of the SECCS is 30.32 Lakhs in Maharashtra out of which Rs. 1.02 Lakhs (3.36%) is in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. in the time 2006-07. The entirety paid up capital of SECCS in Maharashtra was Rs.1975.33 Lakh out of which Rs.147.27 Lakh (7.56%) was in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District. The reserve fund and other funds of the SECCS in Maharashtra were Rs. 3098.29 Lakhs out of which Rs. 64.58 Lakhs (2.08%) were in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District. The deposit of Cooperative societies in Maharashtra was Rs.2453.76 Lakhs out of which Rs.187.45 Lakhs (5.38%) was in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District. The total loan out standings of Co-operative societies in Maharashtra were Rs.5697.88 Lakhs out of which Rs. 419.83 Lakhs (7.37%) were in Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. 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 Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District in the year 2006-07.

9. It has been found that the origin of the SECCS 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 cooperative, 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 cooperatives, 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 SECCS, 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 SECCS have played a very crucial role for the members. SECCS 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 SECCS to undertake non-credit trade actions for the profit 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 SECCS 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 SECCS, 68.19% SECCS were appointed as full time and 31.82% as part time. It is good for an SECCS 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 SECCS started using EDP System.
22.73% SECCS were doing the non credit activities. The SECCS 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 SECCS 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 SECCS, the chief executive is given an Ex-officio position in the SECCS as a president.

14. The credit Co-operative was divided into two major sets namely Agricultural Credit and Non-agricultural Credit. The employee’s credit co-operatives fall under the latter category and it works as a small Banking system. The Co-operative Banking structure is pyramidal. on the bottom, that is, on the parish stage, there is a primary credit society winning which the entire edifice of the supportive Credit is based. These societies are federated at the district level, into a central society called central accommodating bank. the state echelon, region banks are federated into the apex bank. state Co-operative bank in its turn is closely linked with the Reserve Bank of India, which provides a considerable financial assistance to 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 to near was a enlargement inside membership, split assets, set aside finance, investment, deposit, working capital plus 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.

16. It has been found that DCC Bank performed satisfactorily. Its performance shows to near was a augmentation during membership, Branches, divide investment, preserve sponsor, deposit, furthermore 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.

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 to nearby was a enlargement within membership, divide wealth, preserve subsidize, investment deposit, moreover 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.
18. The SECCS is the internal part of the Co-operative structure. It shows the relationship between the SECCS and the ADCC Bank. It has been observed that the number of SECCS affiliated to ADCC was 121 in the year 2006-07. In Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane, district the registered SECCS are 250 as on 31st March 2010. Out of them 250 SECCS (56.08%) are affiliated to ADCC Bank, Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. It indicates that most of the SECCS are becoming self sufficient.

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

20. During the period under study, out of the SECCS under study 6 SECCS (27.27%) showed increasing trend, while the remaining 18 SECCS (72.72%) showed a declining trend in membership. It also recorded a continuous decrease over base year except educational institutions like.

21. The sample was divided into six sets 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% (Set 'A') and minimum increase in membership by 27.06% (Set 'B') during the period under study as compared to the base year 2002-03. 'B' Set had shown the maximum decrease in membership the reason behind that, 330 membership of the Kinetic Enng. SECCS, left from company due to companies' voluntary retirement scheme and labor turnover in the year in 2006-07.

22. It is observed that Set 'A' had recorded the maximum increase in the paid up capital i.e. by 48.65%, while Set '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 previous year so that the SECCS would get ten marks for audit classification as per circular dated Sept, 2002. During the period under study, out of the sample SECCS under study 6 SECCS (18.18%) showed a negative trend, 11 SECCS (50.00%) showed more than 25% increasing trend in paid up capital, while the remaining 5 SECCS (27.73%) recorded increasing trend between 15% to 25% in paid up capital.
23. It was found that Reserve fund and other fund of the District Secondary Teacher’s SECCS, Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane, had increased by 186.25%. Whereas, Reserve fund of Kinetic Enng. SECCS, Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane, 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.

24. It is observed that Set 'C' recorded the maximum increase in the advances i.e. by 39.47%, while Set '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 set 'E', whereas the maximum increase was recorded as 74.03% by set 'A'. Set 'A' had shown maximum increase. The reason behind this increase was the broad base of capital base of this Set and maximum number of reserve funds.

25. As regards deposit, all SECCS 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 SECCS gets ten marks for audit classification. Out of sample SECCS 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 Electricity's SECCS, PCCS's SECCS, 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 SECCS under study 20 SECCS (90.91%) had shown an increase in the deposits. However, the remaining two SECCS (9.09%) had shown a decreasing trend in deposits in the study period.

26. In the present analysis, it has been found that in case borrowing loan from ADCC Bank, out of sample SECCS, 31.82% SECCS recorded a decline in percentage change over the base year; 45.45% SECCS have recorded an increase and the rest of the SECCS i.e. 22.73 have not taken any loan at all because they have developed their owned fund.
27. If total advances are considered out of the SECCS under study 4 SECCS (18.18%) had shown an increase in the total volume of loan disbursement while the remaining 23 SECCS (87.82%) had shown decreasing trend in total loan disbursements during the period under study. 

28. If Investment is considered during the period under study, out of the SECCS under study, 16 SECCS (74.73%) had shown an increase in Investment, while the remaining 09 SECCS (30.27 %) showed a decreasing trend in Investment.

29. During the period under study, if income is considered, out of the SECCS under study 15 SECCS (61.09%) showed an increase in the income, while the remaining 10 SECCS (40 %) recorded a decreasing trend in income.

30. It was observed that the maximum increase in Expenditure was shown as 959.15 % by Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane during the period under study as compared to the base year 2002-03. Overall expenditure of sample SECCS has increased by 31.98 % during period under study out of the SECCS under study 15 SECCS (71.09%) have shown increase in Income, while the remaining 09 SECCS (40.91 %) has shown decreasing trend in expenditure.

31. It has been observed that the Net profit of the Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane. District Secondary Teacher’s SECCS, had increased by 186.25% whereas net profit of Kinetic Engg. SECCS, had decreased by 41.79% during the period under study as compared to the base year 2002-03.

32. It has been observed that Set 'A' has recorded maximum increase in Net profit i.e. by 75.79% ,while Set '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 Set "F", whereas, Set 'A' showed minimum increase that was 191.58% in net profit during the period under study as compared to the base year 2002-03. Set "A" recorded a decrease in the Net Profit because most of SECCS in Set "A" were adopted the policy to merge the profit to avoid excess burden of Reserve fund. These SECCS 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.

33. As regards overdue, out of the sample SECCS, 8 SECCS (36.36%) recorded a decline in percentage change over the base year. 12 SECCS (53.91%) had not recorded any overdue and 7
SECCS (38.82) recorded an increase in the percentage change over the base year. It is observed that all SECCS recorded less than 5% overdue except out of the samples SECCS (7.18%).

34. The average percentage of the overdue per SECCS was lowest i.e. 1.76%. and Overall overdue of the sample SECCS 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 SECCS (38.82%) due to long leave, labor turnover, transfer of employee members of SECCS, death of loan holders and recovery procedure and methods procedure adopted by managing committee etc.

35. Out of the sample SECCS, 7 SECCS (31.82%) had not generated fund through Deposit and 14 SECCS (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 SECCS; hence, separate and suitable norms should be developed for the SECCS.

36. It has been observed that out of sample SECCS, 20 SECCS (90.91%) have got 'A' class in the base year (2002-03), indicating the efficiency of performance and sent percent recoveries and the same has decreased to 14 SECCS (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 SECCS. 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 SECCS in future adversely, down grading of 'Audit Class'. Hence new 'Audit Class' norms are not suitable to the SECCS in some respects.

37. It is found that out of the sample SECCS, 4.54% SECCS 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% SECCS during the base year 2002-03, whereas 13.64% SECCS paid dividend up to 5%, 6 to 10% dividend was paid by 40.91% SECCS, dividend was paid as 10 to 14% by 54.54% SECCS and 15% dividend paid by 27.28% SECCS during the year 2006-07. During the period under study, if the rate of dividend is considered, out of the sample SECCS, 6 SECCS (27.28%) showed increasing trends, while the remaining 16 SECCS (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 SECCS remain content by paying lower dividends. The SECCS prefers to grant interest rebates to members according to the co-operative principle of user beneficiary.
38. It is conspicuous that out of the sample SECCS 9.09% SECCS are owned funded as they depend on their own Capital. They are also known as self reliant. SECCS.18.18% SECCS used their own fund as well as members ‘deposit. 22.73 % SECCS have adopted the mixed capital structure as they used their own fund and Loan from ADCC Bank and the rest of the sample SECCS 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 SECCS 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 SECCS 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 SECCS utilized maximum borrowed fund for advancing loans to their members.

41. The total owned fund of the sample SECCS 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 SECCS generated their own fund through Share capital.

42. The total borrowed fund of the sample SECCS 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 SECCS generated their borrowed fund through deposits from members.

43. The total Share capital of the SECCS has grown from 3071.08 lakhs in 2002-03 to Rs.3611.55 lakhs in 2000-01 to2009-10. The Share capital was increased by 42.43%.

44. The total reserve fund and other funds of these SECCS 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 culture which does, or can, get a income from its deal shall uphold a keep finance at smallest amount ¼ of the lattice profit every time.

45. The total Deposits of the SECCS have registered a remarkable growth from Rs. 6146.56lakhs in 2002-03 to Rs.11200.85 lakhs in 2006-07. The deposits of these SECCS were increased by82.23%.it shows that the SECCS 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 SECCS 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 SECCS 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 SECCS 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 SECCS were increased; therefore, the effective resources of SECCS was moreover augmented naturally.

49. The total income of the SECCS 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 SECCS 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 SECCS was decreased from Rs.615.35 lakhs in 2002-03 to Rs.322.28 lakhs in the year 2006-07. Actually all these SECCS 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 SECCS was increased three times than the total income.

52. The average overdue of the sample SECCS 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 SECCS was 1.76%. The problem of overdue is not serious in the case of SECCS because these SECCS 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 Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane is the highest i.e.6.68:1 because this SECCS had less amount of liabilities as compared to current assets and the minimum current ratio is of the Maharashtra which was 0.75:1 as it has used low cash credit facility. Out of the sample SECCS, 36.36% SECCS have shown more than the standard; 54.54% SECCS could not
maintain the ratio as per the standard and 9% SECCS had no current liabilities since they were self reliant.

54. It has been found that in case of Return on Equity ratio, all SECCS 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 Maharashtra that this is due to less number of members, low capital, high turnover of loan and other activities undertaken resulting in high profitability.

55. It was observed that in case of Net Profit to Total Income ratio, out of the sample SECCS, the minimum ratio of Crompton Greaves SECCS, Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane due to more self reliance and zero expenditure on interest paid on borrowed funds.

56. It has been observed that in case of Net Profit to Loan ratio, out of the sample SECCS 59.09% SECCS have recorded ratio of more than 5% and remaining 40.91% SECCS have recorded the ratio in range of 0.95% to 5%. Majority of SECCS 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 SECCS 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 SECCS were found to have used the policy of merging the profits.

57. In case of Net Profit to working capital ratio, Majority of the SECCS have shown the ratio more than 1% except PACC's SECCS, 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 this maximum ratio is due to the fact that the SECCS has relied on own capital only. Majority of the SECCS have shown higher ratio than the standard, because they had the maximum portion of share capital in working capital of SECCS except 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 SECCS, 22.73% SECCS have shown the ratio below the standard; 63.63% SECCS have shown the ratio above the standard and 13.64 % SECCS 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 SECCS have more portions of loan in the working capital.

60. Out of the sample SECCS, 18.18% SECCS have shown the ratio below the standard; 50% SECCS have shown the ratio above the standard, and 31.82% SECCS 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 SECCS.

61. In case of the ratio Owned Fund to loan, the minimum ratio is shown by Crompton Greaves SECCS; Aurangabad, Latur, Pune, Kolhapur, Nashik, Jalgaon, Nagpur, Akola, Raigad and Thane i.e. 13.64% because of these SECCS disbursed more loan than their own fund. The maximum ratio is recorded as 209.66% by SECCS, during the period under study, due to these SECCS have utilized their fund to fulfill the financial requirements of their limited number of members.

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

63. The analysis of Interest earned to total income ratio shows that, The education’s SECCS has lower ratio (12.72%) and has recorded higher ratio (98.36%) during the study period. An interesting observation can be made regarding the ratios shown by SECCS. On analysis it was observed that the SECCS has given more rebates to members by charging lesser interest rates, resulting in lowering of interest income. Whereas the SECCS 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 SECCS have shown higher ratio because these SECCS have borrowed funds from various sources. 27.27% SECCS have shown the ratio as per the standard i.e. 35% to 50%.

65. A low ratio indicates operating efficiency and hence, the SECCS 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 SECCS have shown the ratio in the range of 10% to 14% except SECCS (19.20%) has shown the maximum ratio during the study period.

67. The Researcher has analyzed the financial statements of the sample SECCS and has found that like other Business Organizations, the question of liquidity is not crucial for SECCS, considering the nature of the SECCS. Though they lend, most of the SECCS 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 sets were in range of 13 to 15.46%, thus there was not much variation found in return on capital. Only one SECCS in Set F i.e. 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 SECCS 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 SECCS has revealed that the SECCS 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 SECCS 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.

**Recommendations for Co-operative Department:**

1. Statutory reserve fund can be used only at the time of liquidation of any organization i.e. SECCS. Therefore, every year 25% of net profit transfer to statutory reserve becomes on an idle investment. It leads to unnecessary blocking up of funds. It is recommended that there should be a certain limit on statutory reserve fund. Instead of transferring 25% amount to statutory reserve every year, the percentage can be reduced to 15% with the prior permission of District Deputy Registrar (DDR). This will increase surplus fund for disbursement of loans, liquidity, profitability and solvency to some extent. There should be linkage between share capital and statutory reserve fund. This will help to maintain liquidity position.
2. In case of SECCS collection of deposits from members in the form of monthly contribution or recurring deposit is one of the major sources for raising funds. It encourages habit of thrift or saving amongst the members. But the members, who borrow loan from SECCS their recurring deposits, may be connected to installments of loan which creates adversity for members as well as for SECCS. It is recommended to verify the credit worthiness of proposed borrower, eligibility criteria should be reframed or revised. There should be linkage between net earnings from employer and the amount of loan along with its repayment schedule.

3. As far as deposits are concerned SECCS should see to it that borrower makes payment of these loan installments regularly and at the same time he keeps certain amount every month in the form of recurring deposits. In this way, SECCS will be in a position toward elevate finances regularly through method of deposits. At time of final settlement of loan account, their recurring deposits may be converted into loan installments partly or proportionately as the case may be. This will create conducive atmosphere and will help in maintaining solvency, profitability and liquidity position.

4. In recent globalization era, policy of the employer has drastically changed. It is performance oriented employment and most of the work is outsourced or is on contract basis. It has adversely affected on regular and permanent employment in the organization. In other words there are no chances or less scope for an increase in the prospective members of SECCS because only permanent employers can become members of SECCS. It is recommended that the SECCS should relax the norms of membership or SECCS should adopt inclusive policy as far as association is worried. All the workers of an society should be the part of SECCS.

a) Platinum Membership- for highly paid employees
b) Golden membership- for medium scale employees and for permanent employers.
c) Silver Membership- Temporary but on agreement root for a longer era i.e. additional than three years, this period can be extended.
d) Ordinary membership- Member may not be permanent but likely to be permanent and would like to be associated with SECCS and parent organization. This inclusive policy of membership will expand the activities, increase in share capital and other ancillary services.

5. During recession period, some of the parent organizations face number of financial difficulties. In order to overcome these difficulties or for retrenchment purpose parent organization may go for voluntary retirement scheme (VRS). It is recommend that there must be
a proper communication between parent organization and the SECCS. Especially when parent organization goes for VRS, it has to communicate this to SECCS well in advance, so that SECCS will make adequate provision for making repayment of deposits as well as will make final settlement of respective member's loan accounts.

6. Co-operative sector faces one more genuine problem i.e. lack of efficient and skilled management and staff. Therefore in most of the co-operative societies including SECCS, organization structure is weak. It is recommended that;
   a) The Board of Directors should undergo training. Knowledgeable and they should be well versed with the functioning of the society.
   b) For large scale SECCS, skilled and permanent staff should be appointed.
   c) For medium and small scale SECCS, skilled part time staff should be appointed.
   This will help in maintaining proper books of accounts, proper systems can be installed. This will result in less or no scope for misappropriation of funds and manipulation of accounts.

7. Very few ratios are applicable to co-operative sector. The norms of ratios should be changed according to the nature of society and new ratios should be applied if necessary. Net profit to working capital ratio should be more than 1% but less than or around 3%. If it increases, go by on the profit to the members by plummeting the rate of interest on loan. Current ratio should not be 2:1 for SECCS. It is convenient for companies but not for SECCS. There must be some change which will help in improving the performance of SECCS. Co-operative department should issue revised guidelines for calculations of ratios and standard norms should be framed for maintaining uniformity and for the betterment of co-operative sector.

8. Maximum portion of net profit has to be transferred to various reserves to protect the interest of members in longer run.

9. The norm of CD ratio is not suitable for SECCS hence separate and suitable norm should be prepared according to the capital structure of SECCS.

10. Due to tremendous increase in number of co-operative societies, the AR’s at Taluka level and DDR’s at district level are not able to exercise proper control on the functioning of the SECCS. Therefore area of operation of A.R. and D.D.R. should be restricted or number of D.D.R. /A.R. should be increased.
11. The education fund amount ought to be designed within shortest quantity to numeral of members, so the large SECCS will pay a higher contribution which is at present restricted to maximum of Rs.1000 only.

12. SECCS run by Government based organizations are performing welling whereas in private sector SECCS formation is also very difficult Private employers are not encouraging or supporting the employees to form SECCS. Therefore co-operative department should take some aggressive steps to boost this movement.

B) Recommendations for Sponsoring Bank:

1. There should be one director in DCC Bank to represent the SECCS’ problem.

2. Those societies who have taken cash credit loan from DCC Bank, the rate of return on non-refundable reserve fund should be equal to cash credit.

3. It is suggested that cash credit to salary earners societies should be treated as a priority sector advance and the rate of interest should also be concessional.

4. Well established and disciplined societies should be exempted from strict supervision and control of the bank.

5. DCC Bank should not deduct 10% shares at time of granting cash credit to SECCS and pay dividend at normal rate on the share capital. It is very costly for SECCS. DCC Bank should consider the deduction as deposit rather than as share capital. This will yield substantial income of SECCS. It can be a good solution to the problem.

C) Recommendations for Management of SECCS:

1. The directors of the SECCS must be given training at periodical intervals in professional management, financial management and of co-operative principles.

2. The SECCS should maintain their books of accounts as per the requirement of co-operative Act and the director should check books of accounts frequently.

3. The loan limits to be sanctioned according to the salary earning capacity of members. Member loan Limit is fixed according to byelaws and provisions of Maharashtra State Co-operative Societies Act.

4. Financial eligibility of members to borrow loan should be properly analyzed, e.g. monthly loan installments should not be in excess of take home salary of an employee.
5. There should be a scope for increasing own fund by the SECCS by adopting suitable policies for linking of membership with their borrowing and their monthly contribution to deposit with their salaries.

D) Other Recommendations:

1. There must be State/District level federations so that, the problem of the SECCS will be addressed quickly and their functioning will become smooth.

2. The Loan Insurance scheme must be introduced to the SECCS. The general insurance of the loaners must also be taken and the premium must be paid out of loans disbursed or create separate fund for these purpose.

3. The SECCS are incurring excessive expenses on annual general meeting(AGM), rebate on interest, Diwali gift to members, etc. which must be restricted.

4. The audit fees should be charged according to number of members to avoid heavy burden of audit fees on SECCS.

5. There should be standard limit for general meeting expenses according to the size of society.

6. Employers should provide fund to SECCS to fulfill the requirements of working capital in the form of Advances or Deposits.

7. In private sector SECCS the chief executive of parent organization is given an ex-officio position or president by provisions in the byelaws. The convention should be changed.

8. Inter-society lending should be permitted to finance the requirement of one society by the use of surplus funds of the other society in the same locality.

9. Appointment of professional internal auditor for the SECCS may be insisted for the SECCS having working capital more than one crore.

10. Due to recession in private sector SECCS are also in trouble. If SECCS goes into liquidation benefit of reserve and surpluses should be given to the existing members as well as past members those who have undertaken VRS from parent company within 5 years before liquidation.

11. Age/life, performance and nature of SECCS plays very important role in the development of SECCS. Recent phase of recession has created critical problems for smooth functioning of SECCS. VRS is one of the genuine problems which have adversely affected the operational and financial performance of SECCS. Therefore, retired employees should get all the benefits according to the existing members.
TEST OF HYPOTHESES ALONG WITH DIFFERENT VARIABLES
In this phase, the researcher tested factors and hypotheses with different sets to know the variances in hypotheses that result from different variables sets. The researcher has examined a statistical technique for comparing two or more independent sets on the dependent variable. The appropriate statistic, called One Way ANOVA in SPSS, compares the means of the samples or sets in order to make inferences about the population means. single method ANOVA moreover called sole reason psychiatry of difference as here is just one sovereign changeable otherwise feature. The sovereign patchy has ostensible levels otherwise a little prepared levels or different sets as we are going to discuss it.

Test the Liquidity Ratio with the Six Sets
Table No. 1 consists of four parts. The first part contains the descriptive statistics, i.e., actual means and Std. deviation of the dependent variable, for the different sectors. The second part (Test of Homogeneity of Variances) provides the Levene test that is used in testing the variances of dependent variable in the six sets are unequal; i.e., significantly different. Note that \( p = 0.000 \) > \( \alpha = 0.05 \). Therefore, null hypothesis is insignificant. Thus, the variances are inhomogeneous. The third part presents the ANOVA test. This part is the key part because it shows whether the overall \( F \) for this ANOVA is significant. Note that the six sets are not significantly differed where \( F = 1.582, p = 0.229 \) > \( \alpha = 0.05 \). However, there are six sets of SECCS. So, the post hoc test would be utilized for deciding, which set has the higher position of operational efficiency. However, there are more than two intervals under the study. Therefore, the post hoc test with equal variances not assumed (Dunnett C) has used, which shows that the sources of differences is among Set E (1.667) with Set F (2.417). Whereas, there is no significant differences in mean among the left Sets, as it appears in part four of

Test the Profitability Ratio with the Six Sets
Table No. 2 consists of four parts. The first part contains the descriptive statistics, i.e., actual means and Std. deviation of the dependent variable, for the different Sets of SECCS. The second part (Test of Homogeneity of Variances) provides the Levene test shows that the value of \( p = 0.004 \) < \( \alpha = 0.05 \). Therefore, variances of dependent variable in the six sets are unequal; i.e., significantly different. Thus, the variances are inhomogeneous. The third part presents the ANOVA test, which denotes to present is rebuff statistically noteworthy disparity in the mean among the six sets where \( F = 0.701, p = 0.63 \) > \( \alpha = 0.05 \). However, there are more than two sets
under the study. So, the post hoc test would be utilized for deciding, which set has the higher position of Profitability. Consequently, their means ordered progressively A, F, C, D, B, and E (2.500, 2.625, 2.667, 2.700, 2.833 and 3.000 successively)

**Test the Solvency Ratio with the Six Sets**

Table No. 3 consists of four parts. The first part contains the descriptive statistics, i.e., actual means and Std. deviation of the dependent variable, for the different sets of SECCS. The second part (Test of Homogeneity of Variances) provides the Levene test shows that the value of $p = 0.622 > (_ = 0.05)$. Therefore, variances of dependent variable in the six sets are equal; i.e., not significantly different. Thus, the variances are homogeneous. The third part presents the ANOVA test, which denotes that there is no statistically significant difference in the mean among the six sets where $F = 0.327, p = 0.889 > _ = 0.05$. However, there are more than two sets under the study. So, the post hoc test would be utilized for deciding, which set has the higher level of Solvency. Consequently, their means ordered progressively D, F, B, E, A, and C (1.9667, 2.0417, 2.0889, 2.1111, 2.1667 and 2.2778 successively).

**Test the Operational Efficiency with the Six Sets**

Table No. 4 consists of four parts. The first part contains the descriptive statistics, i.e., actual means and Std. deviation of the dependent variable, for the different Sets. The second part (Test of Homogeneity of Variances) provides the Levene test that is used in testing the hypothesis that the variances of dependent variable in the six sets are equal; i.e., not significantly different. Note that $p = 0.958 > (_ = 0.05)$. Therefore, null hypothesis is significant. Thus, the variances are homogeneous. The third part presents the ANOVA test. This part is the key part because it shows whether the overall $F$ for this ANOVA is significant. Note that the six sets differ significantly where $F = 3.247, p = 0.033 < _ = 0.05$. However, there are six. So, the post hoc test would be utilized for deciding, which set has the higher position of operational efficiency. Forth part shows the post hoc test. Since the Levine test reflects that the variances are homogeneous, the study uses Duncan test, as it is the most appropriate test for such case. Table …. shows that the test divides the sets into three subsets, which indicate to nearby is refusal statistically momentous disparity during the mean among the Set A, set D, set F and set C. That is, $p = 0.119 > _ = 0.05$. Their means are shown in Subset 1 (1.50, 1.70, 1.75 and 2.00 successively). In Subset 2 the
means in Set D, Set F, Set C and Set E are not significantly different ($p = 0.144 > \_ = 0.05$). While in Subset 3 the means in Set C, Set E and Set B are not significantly different ($p = 0.109 > \_ = 0.05$). By examining the three-subset boxes, it can be observed that the means in Set A (1.50) is different from the mean in Set E and Set B (2.17, 2.50) and Set D and Set F (1.70, 1.75) are different from the mean in Set B (2.50) because their means do not appear in the same subset.

**Test the Financial Performance of SECCS with the Six Sets**

Table No. 5 consists of four parts. The first part contains the descriptive statistics, i.e., actual means and Std. deviation of the dependent variable i.e. The Financial Performance of SECCS, for the different sets of SECCS. The second part (Test of Homogeneity of Variances) provides the Levene test shows that the value of $p = 0.739 > \_ = 0.05$. Therefore, variances of dependent variable in the six sets are equal; i.e., not significantly different. Thus, the variances are homogeneous. The third part presents the ANOVA test, which denotes that there is no statistically significant difference in the mean among the six sets where $F = 1.314$, $p = 0.307 > \_ = 0.05$. However, there are more than two sets under the study. So, the post hoc test would be utilized for deciding, which set has the higher level of Financial Performance. Consequently, their means ordered progressively A, D, F, E, C, and B (2.083, 2.158, 2.208, 2.236, 2.333 and 2.356 successively).