

CHAPTER – V

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CHAPTER - V

ACCOUNT AND AUDIT

5.1 ACCOUNTS

According to the co-operative societies Act the labour co-operative societies have to maintain the specific books and registers as follows.

1. Register of Members

The labour co-operative societies are required to maintain the Register of Members, in 'I' format and the members list in 'J' format. The Register of members is one of the statutory books. It gives information about the members of the society.

2. Share Register

It is another important statutory book showing the total capital collected from members of the society. It contains details like the name and address of Share Holders, number of shares purchased of shares and the total share capital. It is maintained upto date.

3. Cash book

Cash book is used to record the daily cash transactions of the society. It is maintained upto date and is signed by the cashier, secretary and the Chairman of the society. Periodically the actual cash balance is verified with the balance shown in the cash book.

4. Loan Register

This book gives information about the loans taken by the society.

5. Proceeding Book of General Meeting

It is useful for noting the record of business transacted at annual general meeting and that of extra-ordinary general meeting of the share holders of the society. It is signed by the Chairman of the society. When confirmed it becomes the legal proof of the business done in the meeting.

6. Proceeding Book of Committee Meeting

This book is used to note proceeding of meetings of committee of the society. It is signed by the Chairman of the society. Entries in the book are official and authentic record of the business conducted in committee meetings.

7. General and Personal Ledger

It contains the accounts of expenses and incomes. It also contains the accounts of individuals, institutions and other agencies.

8. Dead - Stock Register

The dead-stock register shows the dead stock belonging to the society.

9. Property Register

It is used for recording the fixed assets possessed by the society.

5.2 AUDIT

The audit of the labour co-operative societies is conducted every year by the auditor appointed by the society and the audit report is submitted in a specific format. Audit ensures that the accounts show a true and fair view of the working of society. The auditor has to give information in form No. 1 and form No. 21. The auditor has to take the following precautions while submitting the audit report.

1. The share amount as per the provision of bye – laws has been deducted from the wages of the members.
2. The loan, if any, has been repaid in time.
3. No contractors are given membership of the society.
4. The advances given to the members are recovered regularly and necessary action has been taken against the defaulting members.
5. To check the amount of tender with the amount shown in the contract statement.
6. To ensure that the rates given in the tender are approved by the managing committee.

5.3 FINAL STATEMENTS

At the end of every year the society prepares the final accounts as follows.

1. Trial balance

Trial balance is prepared in the form of Terij patrak (तेरीज पत्रक). This statement shows the totals of debit sides and credit sides of all the ledger accounts. It ensures the arithmetical accuracy of the entries made in the books of accounts.

2. Trading account

These societies prepare trading account in the form of Kantrati Patrak (कंत्राटी पत्रक). This statement shows the income and expenditure of all labour contracts completed by the society in that particular year. The profit is known as the Kantrati profit (कंत्राटी नफा), which is nothing but gross profit.

3. Profit and Loss account

This account shows the profit or loss made in the year. This profit or loss is finally transferred to balance sheet.

4. Balance sheet

This statement is usually prepared to show the financial position of the society on a particular day. It shows the assets and liabilities of the society on the last day of the accounting year.

All these statements are prepared at the end of every year and got audited. The copies of these annual accounts are distributed among the members of the society. The over all working of the society can be evaluated on the basis of the data available in these annual reports. There are so many techniques of analysing the financial position of the society. The present research work uses comparative size income statement and common size Balance sheet and comparative size Balance sheet techniques.

5.4 FINANCIAL STATEMENT ANALYSIS

Accounting process involves recording, classifying and summarizing various business transactions. The day-to-day transactions of a business are recorded in different subsidiary books. These transactions are posted into various ledger accounts and the balances are taken out at the end of a financial period. The aim of maintaining various records is to determine profitability of the enterprise from operations of the business and also to find out its financial position.

Definitions

According to Jhon N. Myer, "The financial statements provide a summary of the accounts of a business enterprise, the balance sheet reflecting the assets, liabilities, and capital as on a certain date and the income statement showing the results of operations during a certain period."

Comparative Statements

The comparative financial statements are statements of the financial position at different periods of time. The elements of financial position are shown

in a comparative form so as to give an idea of financial position at two or more periods.

The comparative statements may show

- i. Absolute figures (rupee amounts)
- ii. Change in absolute figures i.e. increase or decrease in absolute figures.
- iii. Absolute data in terms of percentages.
- iv. Increase or decrease in terms of percentage.

Table 5.1

Distribution of Assets

(Figures in lakhs)

Item	1996-97	1997-98	1998-99	1999-2000	2000-2001	Increase / Decrease
Fixed Assets	1.29	1.61	1.96	18.1	1.74	0.45
Current Assets	1.92	0.54	5.30	10.71	4.41	2.49
Investment	10.34	23.30	17.20	21.62	25.00	14.66
Deposit and Advance	0.45	0.46	0.46	0.46	0.33	-0.12
Other Assets	52.19	94.26	93.60	122.92	141.70	89.51
Total	66.19	120.17	118.50	157.52	173.18	106.99
Increase	-	(53.98)	(-1.67)	(39.02)	(15.66)	-

Source - Annual Reports of Societies

The total assets of sample societies increased from Rs. 66.19 lakhs in 1996-1997 to Rs. 173.18 lakhs in 2000-2001. This showing an increase of Rs. 106.99 lakhs (161.64 %) the improvement in the financial position of these societies is highly spectacular when we remember the fact that these are the societies formed by the labourers with very limited means.

The distribution of assets shows that the fixed assets stood at Rs. 1.29 lakhs in 1996-1997 where as they stood at Rs. 1.74 lakhs in 2000-2001.

There was insignificant increase in the fixed assets. The fixed assets included mainly the building, dead-stock and instruments.

The current assets were Rs. 1.92 lakhs in 1996-97. They increased to Rs. 4.41 lakhs in 2000-2001. Investments also increased from Rs. 10.34 lakhs to Rs. 25 lakhs during the same period. The investments were made in Bank fixed deposits, Bank and federation shares, Government securities, Shares of other co-operatives, Kisan Vikas Patra etc. deposits and advances were Rs. 0.45 lakhs in 1996-97 they stood at Rs. 0.33 lakhs in 2000-2001. The other assets moved from Rs. 52.19 lakhs to Rs. 141.70 lakhs over the same period.

The yearly movement in total assets showed an increase of Rs. 53.98 lakhs from the year 1996-97 to 1997-98. Rs. 39.02 lakhs in the year 1999-2000, Rs. 15.66 lakhs in the year 2000-2001. In 1998-99 there was a decrease of Rs. 1.67 lakhs as compared to the previous year.

It can be concluded from the above data that the investment in fixed assets was very insignificant.

Table 5.2
Sources of Funds

(Figures in lakhs)

Item	1996-97	1997-98	1998-99	1999-2000	2000-2001	Increase
Share Capital	3.48	7.76	10.20	16.56	21.72	18.24
Reserve fund and other reserve.	7.31	7.42	8.60	37.32	44.92	37.61
Other Liabilities	65.43	119.43	117.78	42.98	172.44	107.01
Deposit	6.54	6.81	6.70	0.67	-	-6.54
Total	82.76	141.42	136.58	97.56	239.08	156.32
Increase		(58.66)	(-4.84)	(-32.02)	(141.52)	

Source - Annual Reports of the societies

Sources of funds of labour co-operative societies are shown in Table 5.2 for the period from 1996-97 to 2000-2001. The total sources increased from Rs 82.76 lakhs in 1996-97 to Rs.239.08 lakhs in 2000-2001, showing an increase of Rs.141.52 lakhs. The share capital increased from Rs.3.48 lakhs to Rs 21.72 lakhs and Reserves from Rs. 7.31 lakhs to Rs.44.92 lakhs during the same period. The increase in both share capital and reserves was phenomenal especially during the last two years.

5.5 COMPARATIVE INCOME STATEMENT

The income statement gives the results of the operations of a business. The comparative income statement gives an idea of the progress of a business over a period of time. The changes in absolute data in money values and percentages can be determined to analyse the profitability of the business. Like comparative balance sheet income statement also has four columns. First two columns give figures of various items for two years. Third and fourth columns are used to show increase or decreases in figures in absolute amounts and percentages respectively.

Table 5.3
Comparative income statement

(Rs. in lakhs)

Item	1996-97	1997-98	1998-99	1999-2000	2001-2001
Kantrati Profit	6.42	17.56	35.43	73.18	66.49
Other Income	10.90	2.59	1.74	3.23	3.05
Total Income	17.32	20.15	37.17	76.41	69.54
Total expense	17.17	18.87	35.33	73.19	64.86
	(99%)	(94%)	(95%)	(96%)	(93%)
Net Profit	0.15	1.28	1.84	3.22	4.68

Source - Annual Report of the Societies

Table 5.3 shows the net profit of the sample societies for the period from 1996-97 to 2000-2001. The net profit increased from Rs. 0.15 lakh to Rs 4.68 lakhs during the same period. The labour societies derived their profit mainly from the majuri work. Their other income includes the interest on deposits and dividend on shares.

Total expenses varied between 93 and 99 percent over the period of last five years. Of this nearly 25 percent expenses were incurred for bonus payment to the members, their medical treatment and other welfare activities. Nearly 10 percent expenses were incurred on the employees of the society. The other expenses were 65 percent, which need to be reduced considerably to increase the net profit.

5.6 COMPARATIVE SIZE INCOME ANALYSIS

Comparative size income analysis of the individual sample societies was made to find out the trend analysis. These statements are given in this chapter. From Table 5.4 it was observed that the Kantrati profit (Gross profit) of Karveer Kamgar Majur Co-operative society increased from Rs. 35,057 in 1997 to Rs. 43,069 in 2001. Registering an increase of 22.85 percent. The yearly movement in Kantrati profit showed an abnormal increase of 170 percent in the year 1998. But in the next two years it showed a considerable down fall. This society made net profit in the year 1998, 1999 and 2000. However, the net profit decreased very heavily i. e. from Rs. 52,455 in 1998 to Rs. 3,184 in 2001. It incurred loss in the year 1997 and 2000. The total expenses of this society were above 90 percent of the total income in almost all the years except 1998.

Table 5.5 shows the trend analysis of the income of Gurukrupa Majur Co-operative Society. It was observed that the Kantrati profit of the this society increased from Rs. 24,128 in 1997 to Rs. 49,691 in 2001 registering an increase of 105.95 percent. The yearly movement in kantrati profit showed an decrease of -73.78 percent in the year 1998. But in the next three years it showed an increase. This society made net profit in the years 1997, 1999, 2000 and 2001. However the net profit increased from Rs. 102 in 1997 to Rs. 28,829 in 2001. The society incurred loss of Rs. 18,766 in 1998. The proportion of total expenses to total income varied between 40 to 61 percent.

Table 5.6 shows the trend analysis of the income of Revansidha Majur Co-operative Society. It was observed that the Kantrati profit of this society increased from Rs. 12,549 in 1997 to Rs. 25,375 in 2001 registering an increase of 35.50 percent. The society made net profit in the years 1999, 2000 and 2001. It incurred loss in the years 1997 and 1998. The total expenses of this society varied between 50 and 87 percent of the total income.

Table 5.4
Comparative Size Income Statement
For the year Ending 31st March, 1997 to 31st March, 2001
Society No. 1 (Karveer kamgar co-operative society)

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Kantrati Profit	35,057	94,690	59,633	170	54,320	-40,370	-43	26,799	-27,521	-51	43,069	16,270	61
Other income	1,337	3,983	2,646	198	1,940	-2,043	-51	1,039	-901	-46	802	-237	-23
Total Income	36,394	98,673	62,279	171	56,260	-42,413	-43	27,838	-28,422	-51	43,871	16,033	58
Total Expenses	45,163	46,218	1,055	2	55,072	8,854	19	49,350	-5,722	-10	40,687	-8,663	-18
Net Profit / Loss	-8,769	52,455	61,224	-698	1,188	-51,267	-98	-21,512	-22,700	-1,911	3,184	24,696	-115

Source - Annual Reports of the Society

Table 5.6
Comparative Size Income Statement
For the year Ending 31st March, 1997 to 31st March, 2001
Society No. 3 (Revansidha majur co-operative society)

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Kantrati Profit	12,550	4,278	-8,272	-66	35,755	31,477	736	25,376	-10,379	-29	34,384	9,008	35
Other Income	1,010	16	-994	-98	315	299	1,869	15	-300	-95	15	0	0
Total Income	13,559	4,293	-9,266	-68	36,070	31,777	740	25,391	-10,679	-30	34,399	9,008	35
Total Expendes	14,137	13,169	-968	-7	31,603	18,434	140	19,878	-11,725	-37	17,155	-2,723	-14
Net Profit/Loss	-578	-8,876	-8,299	1,436	4,467	13,343	-150	5,513	1,046	23	17,244	11,731	213

Source - Annual Reports of the Society

The net profit position of Kolhapur Majur and Hamal Co-operative Society was shown in Table 5.7. Net profit increased from Rs 30,885 in 1997 to Rs. 2,79,751 in 2001, showing an increase of nearly 9 times over a period of five years. The percentage of total expenses varied between 90 to 96 percent.

As seen in Table 5.8 Mahalaxmi Majur Co-operative Society was found to be not working smoothly. Infact it did not make any operations for two consecutive years from 1998 to 1999. It incurred loss in the year 1997. It made net profit in the years 2000 and 2001. Its expenses varied between 88 and 91 percent.

Table 5.9 shows the trend analysis of the income of Sandeep Majur Co-operative Society. It was observed that the Kantrati profit of this society increased from Rs. 6,830 in 1997 to Rs. 1,08,468 in 2001, registering an increase of nearly 15 times. It incurred loss in the year 1997-1998. In 1999 it made a net profit Rs. 11,169 which increased to Rs. 83,228 in 2001.

The proportion of expenses to the income was 79,71 and 24 percent respectively for the years 1999,2000 and 2001.

The income movement of Suswagatm Majur Co-operative Society was shown in Table 5.10. The society incurred loss in 1997 and 1998. In these two years there were no operations of the society. In 1999 and 2001 it made a profit of Rs. 8,727 and Rs. 35267 respectively, were as in 2000 it incurred loss.

Table 5.11 shows the trend analysis of the income of Tilbhandareshwar Majur Co-operative Society. It was observed that the Kantrati profit of this society increased from Rs.14,674 in the year 1997 to Rs.27,275 in 2001 registering an increase of 85.87 percent.

The society incurred a loss of Rs.2,718 in 1997. From 1998 it earned profit, which increased from Rs.4,736 to Rs.15,737. The percentage of expenses to income was 82,76,86 and 42 percent for the years 1998,99,2000,2001.

Table 5.7
Comparative Size Income Statement
For the year Ending 31st March, 1997 to 31st March, 2001
Society No. 4 (Kolhapur Majur & Hamal co-operative society)

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Kantrati Profit	548,309	1,580,652	1,032,343	188	3,242,942	1,662,290	105	7,114,309	3,871,367	119	6,305,437	-808,872	-11
Other Income	1,086,571	254,604	-831,967	-77	170,603	-84,001	-33	321,611	151,008	89	304,466	-17,145	-5
Total Income	1,634,880	1,835,256	200,377	12	3,413,545	1,578,289	86	7,435,920	4,022,374	118	6,609,903	-826,017	-11
Total Expenses	1,603,994	1,728,074	124,080	8	3,295,539	1,567,464	91	7,125,053	3,829,515	116	6,330,152	-794,902	-11
Net Profit/Loss	30,885	107,182	76,297	247	118,007	10,825	10	310,866	192,860	163	279,751	-31,115	-10

Source - Annual Reports of the Society

Table 5. 8
Comparative Size Income Statement
For the year Ending 31st March, 1997 to 31st March, 2001
Society No. 5 (Mahalaxmi majur co-operative society)

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Kantraiti Profit	894	0	-894	-100	0	0	0	5,262	5,262	0	39,239	33,977	646
Other Income	0	0	0	0	0	0	16	16	16	0	21	5	31
Total Income	894	0	-894	-100	0	0	5,278	5,278	5,278	0	39,260	33,982	644
Total Expendes	2,051	0	-2,051	-100	0	0	4,791	4,791	4,791	0	34,469	29,678	619
Net Profit / Loss	-1,157	0	1,157	-100	0	0	487	487	487	0	6,244	5,757	1,182

Source - Annual Reports of the Society

Table 5.9
Comparative Size Income Statement
For the year Ending 31st March, 1997 to 31st March, 2001
Society No. 6 (Sandeep Majur co-operative society)

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Kantrati Profit	6,830	44,376	37,546	550	54,039	9,663	22	97,461	43,422	80	108,468	11,007	11
Other Income	0	7	7	0	7	0	0	7	0	0	0	-7	-100
Total Income	6,831	44,384	37,553	550	54,047	9,663	22	97,469	43,422	80	108,468	11,000	11
Total Expendures	6,974	45,166	38,192	548	42,878	-2,288	-5	68,978	26,101	61	25,240	-43,738	-63
Net Profit / Loss	-143	-382	-239	167	11,169	11,551	-3,024	28,491	17,322	155	83,228	54,738	192

Source - Annual Reports of the Society

Table 5.10
Comparative Size Income Statement
For the year Ending 31st March, 1997 to 31st March, 2001
Society No. 7 (Suswagatam major co-operative society)

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Kantrati Profit	0	0	0	0	40,077	40,077	0	4,491	-35,586	-89	41,347	36,856	821
Other Income	0	0	0	0	90	90	0	0	-90	-100	0	0	0
Total Income	522	0	-522	-100	40,167	40,267	-40,267	4,491	-35,676	-89	41,347	36,856	821
Total Expendes	2,515	8,163	5,649	225	31,540	23,377	286	20,717	-10,823	-34	6,080	-14,637	-71
Net Profit/Loss	-1,993	-8,163	-6,171	310	8,727	16,890	-207	-16,226	-24,953	-286	35,267	51,493	-317

Source - Annual Reports of the Society

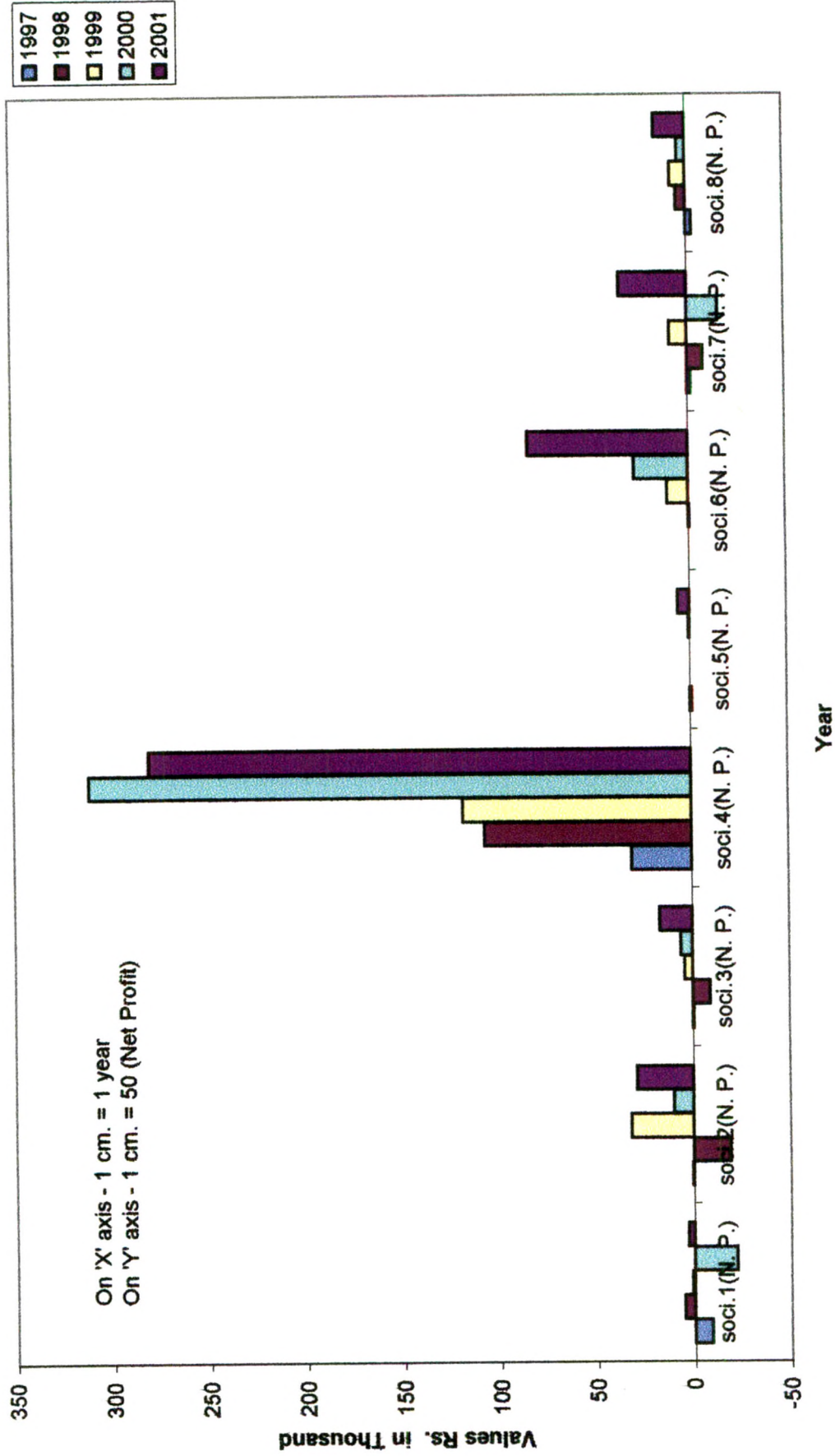
Table 5.11
Comparative Size Income Statement
For the year Ending 31st March, 1997 to 31st March, 2001
Society No. 8 (Tilbhandreshwar majur co-operative society)

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Kantrati Profit	14,674	25,624	10,950	75	34,317	8,693	34	26,590	-7,726	-23	27,275	685	3
Other Income	9	15	6	67	315	300	2,000	266	-49	-16	15	-251	-94
Total Income	14,683	25,639	10,955	75	34,632	8,993	35	26,856	-7,775	-22	27,290	434	2
Total Expendes	17,401	20,903	3,502	20	26,332	5,429	26	22,873	-3,459	-13	11,553	-11,320	-49
Net Profit / Loss	-2,718	4,736	7,453	-274	8,300	3,564	75	3,983	-4,316	-52	15,737	11,754	295

Source - Annual Reports of the Society

Graph 5.1

**Comparative Size Income Statement of Selected Societies
From 1997 to 2001**



Conclusions

From the above comparative size-income statement analysis of the sample societies the conclusions can be summarized as follows.

1. Except Kolhapur Majur and Hamal co-operative society the remaining all sample societies incurred loss in first two years, i.e.1997,1998.
2. Even though the societies earned profit the amount of profit was less than Rs.50000 except Kolhapur Majur and Hamal Society which has made a profit exceeding Rs.1 lakh.
3. The percentage of expense to the income was found to be very high, almost 90 percent but in the last two years the percentage of expenditure has come down, increasing the amount of profit.

Table 5.12

Inter-society Income Comparison for the year 1997

(Figures in thousand)

Profit	Society Number							
	1	2	3	4	5	6	7	8
1997	-9	0.5	-0.5	31	-1	(-0.1)	-2	-3
1998	5.2	(-19)	(-9)	107	-	(-.4)	-8	5
1999	1	32	4	118	-	11	9	8
2000	-22	10	6	311	0.5	28	-16	4
2001	3	29	17	280	6	83	35	16

Source - Annual reports of societies.

Table 5.12 shows the comparative income analysis of the sample societies for the period from 1997 to 2001. In 1997 6 societies incurred loss, the remaining 2 societies made a profit. In 1998, 4 societies incurred loss, 3 societies made a profit. One society had no transaction in the year. In 1999 except 1 society the remaining 7 societies made a profit ranging from Rs. 1000 to Rs.32000. One

society had no operations. In 2000, 2 societies incurred loss and the remaining 6 societies made profit from Rs. 4,000 to Rs. 3,11,000.

In 2001 all societies made profit ranging from Rs. 3,000 to Rs.2,80,000. Society number 4 namely Kolhapur Majur and Hamal Co-operative Society made profit in all the five years of study. Its profit increased from Rs.31,000 to Rs. 2,80,000 during the same period.

Society number 7 namely Suswagatam Majur Co-operative Society incurred loss for 3 years out of the period of 5 years of study. In 2001 it made profit Rs. 35,000.

Society number 1-Karveer Kamgar Majur Co-operative Society, society number 3-Revansidha Majur Co-operative society, society number 6-Sandeep Majur Co-operative Society incurred loss for 2 years out of the five years of the society. Society number 1 made highest profit Rs. 52,000 in 1997. Society number 3 made profit Rs. 17,000 in 2001. Society number 4 made profit Rs. 83,000 in 2001.

Society number 2 - Gurukrupa Majur Co-operative Society, society number 5 - Mahalaxmi Majur Co-operative Society, society number - 8 Tihbhandarshwar Majur Co-operative Society incurred loss for one year out of the 5 years of the study. Society number 2 made highest profit in the year 1998 of Rs. 32,000. Society number 5 had no operation in 1998 and 1999, It made profit of Rs. 6,000 in 2001. Society number 8 made profit of Rs. 16,000 in 2001.

5.7 COMPARATIVE BALANCE SHEET

The comparative balance sheet analysis is the study of the trend of the same items, Group of items and computed items in two or more balance sheets of the same business enterprise on different dates. The changes in periodic balance sheet items reflect the conduct of a business. The changes can be observed by a comparison of the balance sheet has two column is used to show increase or decrease in figures. The fourth column may be added for giving percentage of increase or decreases.

While interpreting comparative balance sheets were studied.

- i. Current financial position and liquidity position.
- ii. Long-term financial position.
- iii. Profitability of the concern.

Here presented comparative balance sheet of each society for five years. Shows total eight societies position from 1997 to 2001. Each societies comparison for 1997 to 2001.

From Table 5.13 it was observed that the fixed assets of Karveer Kamgar Majur Co-operative Society remained constant over the period of five years of the study. The proportion of fixed assets to total assets was 12 percent in 1997 and 22 percent in 2001.

Current assets decreased from Rs. 20,635 in 1997 to Rs. 10,593 in 2001. They constituted 7 percent of total assets in 1997 and 2001 also.

Investment of the society increased from Rs. 8,930 in 1997 to Rs. 11,930 in 2001. The total assets of the society showed a decreasing trend from Rs. 2.95 lakhs to Rs. 1.61 lakhs from 1997 to 2001.

The owned funds (share capital + reserve + balance of profit) increased from Rs. 12,734 to Rs. 24,650 during the same period. The over all the financial position of the society seems to have deteriorated in the last five years.

Table 5.13
Comparative Balance Sheet of a Society No. 1 (Karveer)
For the year ending 31st March 1997 to 2001.

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Fixe Assets													
Shiye Building	22019	22019	0	0	22019	0	0	22019	0	0	22019	0	0
Rankala Stores	2665	2665	0	0	2665	0	0	2665	0	0	2665	0	0
Dead Stock	2596	2596	0	0	2596	0	0	2596	0	0	2596	0	0
Instruments	2631	2631	0	0	2631	0	0	2631	0	0	2631	0	0
Shiye Khan	5042	5042	0	0	5042	0	0	5042	0	0	5042	0	0
Total	34952	34952	0	0	34952	0	0	34952	0	0	34952	0	0
Current Assets													
Bank	18518	2930	-15588	-84	27329	24399	833	15305	-12024	-44	806	-14499	-95
Cash	2117	2218	101	5	149	-2068	-93	157	8	5	9787	9630	6119
Total	20634	5147	-15487	-75	27478	22331	434	15462	-12016	-44	10593	-4870	-31
Investment													
K.D.C. Bank Share	4500	4500	0	0	4500	0	0	4500	0	0	4500	0	0
Industrial Sangh Share	10	10	0	0	10	0	0	10	0	0	10	0	0
Majur Sangh Share	600	3600	3000	500	3600	0	0	3600	0	0	3600	0	0
Refund Deposit	3820	3820	0	0	3820	0	0	3820	0	0	3820	0	0
Total	8930	11930	3000	34	11930	0	0	11930	0	0	11930	0	0
Deposit & Advances													
Meeting Advance	12105	12105	0	0	12105	0	0	12105	0	0	12105	0	0
Deposit	26555	26555	0	0	26555	0	0	26555	0	0	26555	0	0
Land Khan Develop.	4296	4296	0	0	4296	0	0	4296	0	0	4296	0	0
Advance to Wadar	2000	2000	0	0	2000	0	0	2000	0	0	2000	0	0
Total	44956	44956	0	0	44956	0	0	44956	0	0	32851	-12105	-27

From the comparative balance sheet statement given in Table 5.14 it was observed that Gurukrupa Majur Co-operative Society had no fixed assets. Current assets of the society decreased from Rs. 6,629 in 1997 to Rs. 1080 in 2001. The proportion of current assets in total assets was less than 1 percent. Investments of the society were insignificant. Total assets of the society showed a decreasing trend from Rs. 9.14 lakhs to Rs. 6.19 lakhs from 1997 to 2001.

The owned funds increased from Rs. 11,788 to Rs. 39,176 during the same period. The overall position of the society seems to be not satisfactory.

Revansidha Majur Co-operative Society had no fixed assets as seen from Table 5.15. Current assets decreased from Rs. 3,283 in 1997 to Rs. 1,001 in 2001. They constituted 1 percent of total assets in 1997 and in 2001 also. Investment of the society decreased from Rs. 1,01,100 in 1997 to Rs 1600 in 2001. The total assets of the society showed a decreasing trend Rs. 2.75 lakhs to Rs. 0.63 lakhs from 1997 to 2001. The owned funds of the society increased from Rs. 972 to Rs. 18844 in the same period. The overall position of the society was not satisfactory.

From Table 5.16 it was observed that the fixed assets of Kolhapur Majur and Hamal Co-operative Society showed an increasing trend from Rs. 93,847 to Rs. 1,38,834. The proportion of fixed assets to total assets was 2 percent in 1997 and 0.9 percent in 2001.

Current assets increased from Rs 1,52,045 in 1997 to Rs. 3,98,238 in 2001. It was 3.26 percent in 1997 and 2.69 percent in 2001 of the total assets.

Investment of the society increased from Rs. 9 lakhs to Rs. 24.71 lakhs. The total assets showed increasing trend from Rs.46.56 lakhs to Rs 148.21 lakhs.

The owned funds increased from Rs.10.34 lakhs to Rs.68.72 lakhs during the same period. The overall financial position of the society was satisfactory.

Table 5.14
Comparative Balance Sheet of a Society No. 2 (Gurukruppa)
For the year ending 31st March 1997 to 2001.

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Current Assets													
Cash	1375	215	-1160	-84	38	-177	-82	328	290	762	388	60	18
Bank	5255	5658	403	8	31370	25712	454	6023	-25347	-81	692	-5331	-89
Total	6630	5873	-757	-11	31408	25535	435	6351	-25057	-80	1080	-5271	-83
Investment													
Majoor Sangh Share	600	600	0	0	600	0	0	600	0	0	600	0	0
Anamat Share	18	18	0	0							15		
Majoor Sangh Share													
Total	618	618	0	0	600	-18	-3	600	0	0	615	15	3
Other Assets													
Nipani Kaludaye Khudai	159210	159210	0	0	159210	0	0	159210	0	0			
Kandalgaon,	184200	184200	0	0	184200	0	0	184200	0	0			
Hebeloudi Road	93900												
Sulebhandara	234500												
Haldi Prkalp Raod	99054												
Gadhingalaj sch. Repai.	131900												
Anamat	15	15	0	0	15	0	0	15	0	0	6849	6834	45560
Bills	26480							7950			63923	55973	704
Chitri Prkalp Repairy	39000												
Bhadgaon Sajani Road	69000	77450	8450	12									
Borage Road													
Deposit	1760												
Sangaon Road					327950			181000	-146950	-45	327950	146950	81
Nipani Road													
Pombare Chavanvadi					83419								
Sonage Road								327950					
Belewadi								86000					
Mhakave Drinage								88200					
Mandale Pump								60000					

Table 5.15
Comparative Balance Sheet of a Society No. 3 (Revan Sidha)
For the year ending 31st March 1997 to 2001.

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Current Assets													
Cash	59	29	-30	-51	27	-2	-7	168	141	522	58	-110	-65
Bank	3225	469	-2755	-85	554	85	18	970	416	75	943	-27	-3
Total	3284	498	-2785	-85	581	83	17	1138	557	96	1001	-137	-12
Investment													
Majur Sangh shares	1500	1500	0	0	1500	0	0	1500	0	0	1500	0	0
Anamat	99600	101250	1650	2				10750			100		
Bank share	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	101100	102750	1650	2	1500	-101250	-99	12250	10750	717	1600	-10650	-87
Other Assets													
Bill Receivable	170821				139397								
Deads Stock	700	700	0	0	700	0	0	700	0	0	700	0	0
Kadoli		183000											
Ajara		93000											
Koparde		162000											
Income Tax					1494			8504	7010	469	23787	15283	180
Sangh Contribution								6830			6736	-94	-1
Advance											20000		
Bills Receivable											9291		
Total	171521	438700	267179	156	141591	-297109	-68	16034	-125557	-89	60514	44480	277
Grand Total	275905	541948	266044	96	143672	-398276	-73	29422	-114250	-80	63115	33693	115

Table 5.16
Comparative Balance Sheet of a Society No. 4 (Majur & Hamal)
For the year ending 31st March 1997 to 2001.

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Current Assets													
Cash & Bank Balance	287	994	707	246	1268	274	28	1718	450	35	2718	1000	58
Cash	1575	1575	0	0									
Indian Overseies Bank S/A	147014	5513	-141500	-96	2313	-3200	-58	6413	450	8	7526	1112	17
Indian Overseies Bank C/A	2845				5963			426	42	11			
K.D.C.C. Bank Mahila C/A	324	324	0	0	384	60	19	426	42				
K.d.C.C. Bank S/A.					41								
Youth Development Bank					17701			785189	767488	4336	229211	-555978	-71
Syndicate Bank					39954			233048	193094	483	158784	-74264	-32
R.D.C. Bank Rtn.													
Total	152046	8407	-143639	-94	67625	59218	704	1026794	959169	1418	398239	-628555	-61
Investment													
Res. Fund KDCC.Bank Mahila	170	170	0	0	170	0	0	170	0	0	100000	99830	58724
Kisan Vikas Patra	10000	10000	0	0	10000	0	0	10000	0	0	10000	0	0
Fix Deposit	893448	2185621	1292173	145	1676158	-509463	-23	2107194	431036	26	2350557	243363	12
K.D.C.C.Bank Share	3000	3000	0	0	3000	0	0	3000	0	0	3000	0	0
Kolhapur Majur Sangh	600	600	0	0	600	0	0	600	0	0	600	0	0
Kedarling Sutgirmi	2000	2000	0	0	2000	0	0	2000	0	0	2000	0	0
Kolhapur Dist Bijo Share											5000		
Total	909218	2201391	1292173	142	1691928	-509463	-23	2122964	431036	25	2471157	348193	16
Fixed Assets													
Office Equipment	55350	62938	7588	14	47203	-15735	-25	35402	-11801	-25	31862	-3540	-10
Dead Stock	38455	63558	25103	65	88224	24666	39	88119	-105	0	86417	-1702	-2
Liberary	42												
Building Shade					25500			22950	-2550	-10	20555	-2395	-10
Total	93847	126496	32649	35	160927	34431	27	146471	-14456	-9	138834	-7637	-5

From Table 5.17 it was observed that Sandeep Majur Co-operative had no fixed assets. Current assets increased from Rs. 2,823 to Rs. 16,221 from 1997 to 2001. It was 1 percent of the total assets in 1997 and 2.87 percent in 2001.

Investment of the society remained constant over the period of five years. Total assets showed an increasing trend from Rs. 1.47 lakhs to Rs. 5.65 lakhs from 1997 to 2001.

The owned funds increased from Rs.-596 to Rs.6,805 during the same period . The overall financial position of the society was sound.

From Table 5.18 it was observed that there were no fixed assets belonging to Mahalaxmi Majur Co-operative Society. The current assets decreased from Rs.1,265 to Rs.1,134 from 1997 to 2001. The percent is 0.43 percent in 1997 and 0.19 percent in 2001.

Investment of the society remained constant in the five years period. Total assets increased from Rs. 2.91 lakhs in 1997 to Rs. 5.68 lakhs in 2001. The owned funds increased from Rs. 30,672 to Rs 1,14,043 during the same period. The society depended on borrowed funds heavily. The percentage of borrowed funds to total funds was 80 percent. The overall financial position of the society was found satisfactory.

Suswagatam Majur Co-operative Society had no fixed assets as seen from Table 5.19. The current assets increased from Rs. 1,065 to Rs 10,159 from 1997 to 2001. The percent of total assets was 4.31 percent in 1997 and 3.31 percent in 2001.

Investments of the society remained constant for all the five years. The owned funds of the society increased from Rs.6,159 to Rs.41,088 . The overall financial position of the society improved during the period of study.

Table 5.17
Comparative Balance Sheet of a Society No. 6 (Sandeep Majur)
For the year ending 31st March 1997 to 2001.

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Current Assets													
Cash	991	793	-199	-20	622	-170	-21	602	-20	-3	11622	11020	1830
Bank	1688	2254	567	34	147	-2108	-93	2100	1954	1333	116	-1984	-94
Maratha Bank	145	18827	18682	12866				2774			2774	0	0
Vita Merchant Bank											1709		
Gadhinglaj Urban Bank													
Total	2824	21874	19050	675	769	-21105	-96	5476	4708	612	16221	10745	196
Investment													
Bank Share	60	60	0	0	60	0	0	60	0	0	60	0	0
Deposit	3000	3000	0	0	3000	0	0	3000	0	0	3000	0	0
Majur Sangh Share	500	500	0	0	500	0	0	500	0	0	500	0	0
Total	3560	3560	0	0	3560	0	0	3560	0	0	3560	0	0
Other Assets													
Dead Stock	2100	2100	0	0	2100	0	0	2100	0	0	2100	0	0
Satewadi	137500												
Washi		71090											
Nandani		155530											
Save		165275											
Tikkewadi		150630				75000	50						
Gaganbawada					225630								
Kawige					100000								
Porewade					70000								
Choundal					45500								
Shrungarwadi					135230								
Devalwadi					90290								
Narewadi					70000								
Walve					50940			140500			9500		
Ajara								4940			37440	32500	658
Anamat					24490				-19550	-80			
Tilpan Road											426000		

Table 5.18
Comparative Balance Sheet of a Society No. 5 (Mahalaxmi)
For the year ending 31st March 1997 to 2001.

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Current Assets													
Cash	136	287	151	111	287	0	0	287	0	0	427	140	49
Ratnakar Bank C/A	736	736	0	0	736	0	0	736	0	0			
K.D.C.C. Bank	186	186	0	0	186	0	0	186	0	0	186	0	0
Ratnakar Bank S/A.	61												
Kolhapur Janta Saving	147												
Indian Bank								509					
Karad Urban Bank											522		
Total	1266	1209	-57	-5	1209	0	0	1718	509	42	1135	-583	-34
Investment													
Reserve Fund	388	388	0	0	388	0	0	388	0	0	388	0	0
Bank Share	8100	8100	0	0	8100	0	0	8000	-100	-1			
Majur Sangh Share								100			100		
K.D.C.C Bank Sahre											8000		
Total	8488	8488	0	0	8488	0	0	8488	0	0	8488	0	0
Other Assets													
Telephone Deposit	800	800	0	0	800	0	0	800	0	0	800	0	0
Anamat	72800												
Majur Advance	21250	151850	130600	615	151850	0	0	151850	0	0	151850	0	0
Public Building Advance	24880												
Public Building Deposit	1290												
Dead Stock	601	601	0	0	601	0	0	601	0	0	601	0	0
Police Naka	18500												
Fish Business Account	12930												
Bills Receivable								229081			290097	61016	27
Income Tax								5088			12249	7161	141
Last year Loss	110130	101544	-8586	-8	101544	0	0	101544	0	0	101544	0	0
	18778				1157			1157	0	0	1157	0	0
Current Year Loss													
Total	281959	255952	-26007	-9	255952	0	0	490121	234169	91	582298	68177	14
Grand Total	291712	265648	-26064	-9	265648	0	0	500326	234678	88	567920	67594	14

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Liabilities													
Share Capital	27808	27800	-8	0	27800	0	0	27800	0	0	27800	0	0
Govt. Share Capital	3000	3000	0	0	3000	0	0	3000	0	0	3000	0	0
Total	30808	30800	-8	0	30800	0	0	30800	0	0	30800	0	0
Reserve Fund													
Total	7	15	8	114	15	0	0	15	0	0	15	0	0
	7	15	8	114	15	0	0	15	0	0	15	0	0
Other Liabilities													
Bank Cash Credit Account	233533	233533	0	0	233533	0	0	233533	0	0	233533	0	0
Anamat	1300				1300	0	0	1800	500	38	2300	500	28
Secretary Remuniration								1500			1500		0
Bills Payable								182000			213750	31750	17
Sangh Contribution								2291			2291	0	0
Audit Fee payable								1000			2000	1000	100
Majuri Payable								46900			75000	28100	60
Last Year Profit	27364							487			487		
Current Year Profit											6244	5757	1182
Total	260897	234833	-26064	-10	234833	0	0	469511	234678	100	537105	67594	14
Grand Total	291712	265648	-26064	-9	265648	0	0	500326	234678	88	567920	67594	14

Source - Annual Reports of the Society

Table 5.19
Comparative Balance Sheet of a Society No. 7 (Suswagatam)
For the year ending 31st March 1997 to 2001.

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Current Assets													
Cash	20	636	616	3119	248	-388	-61	753	505	204	693	-60	-8
K.D.C.C. Bank Current	722	722	0	0	722	0	0	722	0	0	722	0	0
Dena Bank	324	324	0	0	324	0	0	324	0	0	324	0	0
K.D.C.C. vadgaon Bank	7787				342145	334358	4294	11524	-330621	-97	8421	-3103	-27
Total	1065	9468	8403	789	343439	333970	3527	13323	-330116	-96	10160	-3163	-24
Investment													
K.D.C.C. Share	50	50	0	0	50	0	0	50	0	0	50	0	0
Majur Sangh Sahre	600	600	0	0	600	0	0	600	0	0	600	0	0
Total	650	650	0	0	650	0	0	650	0	0	650	0	0
Other Assets													
Majur Sangh Anamat	15	15	0	0									
Deposit	6536	6536	0	0									
Salary	200	200	0	0	200	0	0	200	0	0	200	0	0
Bill Receivable					408248			388154	-20094	-5	181640	-206514	-53
Income Tax								13092			23024	9932	76
Majuri Advance											50000		
Kapurwadi Minche Road	158280												
Kapurwadi Road	150940												
kasarwadi Road	66240												
Sangaon Road	93360												
Talsage Road	96800												
Last Year Loss	787	787	0	0	14233	13446	1709	24388	10156	71	40614	16226	67
	3345	3345	0	0									
	2921	2921	0	0									
	5508	5508	0	0									
	1672	1672	0	0									
	1993	1993	0	0	1993	0	0						
					8163			16226					
Current year Loss													
Total	22977	596760	573783	2497	432836	-163923	-27	442060	9224	2	295478	-146582	-33
Grand Total	24692	606878	582186	2358	776925	170047	28	456033	-320892	-41	306288	-149745	-33

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Liabilities													
Member Share	8020	5690	-2330	-29	5690	0	0	5690	0	0	5690	0	0
Total	8020	5690	-2330	-29	5690	0	0	5690	0	0	5690	0	0
Reserve Fund													
Total	131	131	0	0	131	0	0	131	0	0	131	0	0
Other Liabilities													
Cheque comm. Payable													
Grants	1800	1800	0	0	1800	0	0	320	248	0	1800	-72	-23
Instruments	1000	1000	0	0	1000	0	0	1000	0	0	1000	0	0
Audit Fee payable	1613	700	-913	-57	3200	2500	357	2425	-775	-24	3425	1000	41
Majur Sangh Contribution	7543	4065	-3478	-46	22992	18927	466	36815	13823	60	31315	-5500	-15
Education Fund	100	100	0	0	100	0	0	100	0	0	100	0	0
Secretary Remuniration	3600	3600	0	0	4800	1200	33	7300	2500	52	9700	2400	33
Majuri Payable	86520	86520	0	0	138300	51780	60	47840	-90460	-65	140485	67000	91
Anamat	4485	100985	96500	2152	93485	-7500	-7	73485	-20000	-21	140485	67000	91
Bills Payable	244500	244500	0	0	496800	252300	103	270500	-226300	-46	68500	-202000	-75
Kapurwadi Minche Road	80555	80555	0	0	8627	8627	0	8627	0	0	8627	0	0
Kapurwadi Road	77232	77232	0	0	8627	8627	0	8627	0	0	8627	0	0
Last year Profit													
Current Year Profit													
Total	16541	601057	584516	3534	771104	170047	28	450212	-320892	-42	300467	-149745	-33
Grand Total	24692	606878	582186	2358	776925	170047	28	456033	-320892	-41	306288	-149745	-33

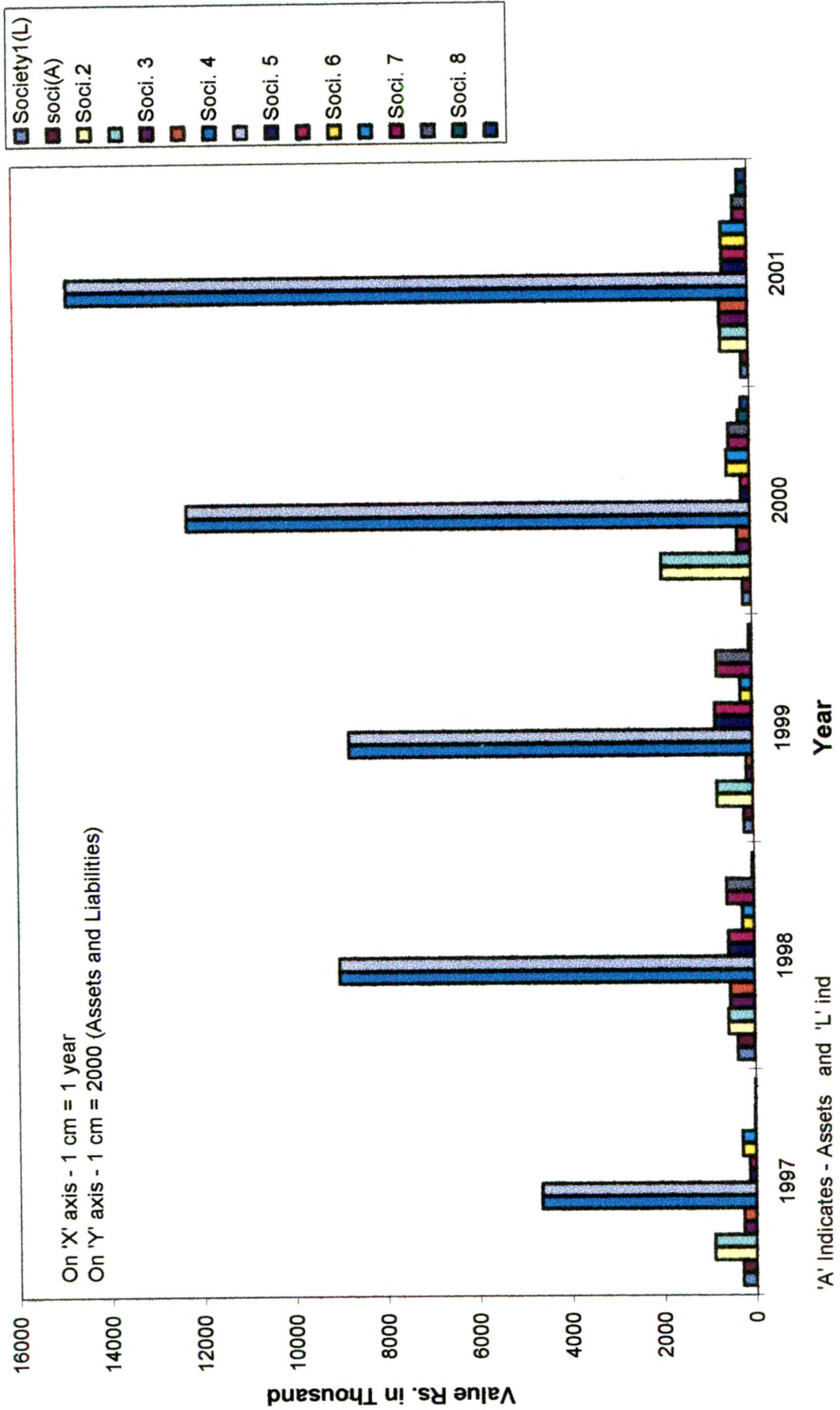
Source - Annual Reports of the Society

Table 5.20
Comparative Balance Sheet of a Society No. 8 (Tilbhandareswar)
For the year ending 31st March 1997 to 2001.

	1997	1998	+/-	%	1999	+/-	%	2000	+/-	%	2001	+/-	%
Current Assets													
Cash	185	155	-30	-16	456	301	194	77	-379	-83	1147	1070	1390
Bank	3939	965	-2974	-76	56980	56015	5807	896	-56084	-98	1174	278	31
Total	4124	1120	-3004	-73	57436	56316	5030	973	-56463	-98	2321	1348	139
Investment													
Majur Sangh Share	1500	1500	0	0	1500	0	0	1500	0	0	1500	0	0
Bank Share					100						100		0
Total	1500	1500	0	0	1500	0	0	1600	100	7	1600	0	0
Other Assets													
Dead Stocks	480	480	0	0	480	0	0	480	0	0	480	0	0
Advance Sangaonkar	8250	8250	0	0	8250	0	0	8250	0	0			
Gaganbawada											11000		
Bills Receivable											121617		
Rajaram Talav											58800		
Income Tax					2414			6109	3695	153	15020	8911	146
Sangh Contribution											1148		
Anamat								4910					
Bills Receivable								232581					
Total	8730	46752	38022	436	11144	-35608	-76	252330	241186	2164	208065	-44265	-18
Grand Total	14354	49371	35018	244	70080	20709	42	254903	184823	264	211986	-42917	-17

Graph size

Comparative Balance Sheet Position of Selected Societies From 1997 to 2001.



From Table 5.20 it was observed that Tilbhandareshwar Majur Co-operative Society had no fixed assets. The current assets decreased from Rs.4,123 in 1997 to Rs.2,321 in 2001.

Investment of the society were marginal. The total assets of the society increased from Rs. 14,353 to Rs. 2,11,986. The owned funds were Rs. 17,287 in 2001. The overall financial position of the society showed an improvement during the period of study.

5.8 COMMON-SIZE STATEMENT

The common-size statements, balance sheet and income statement are shown in analytical percentages. The figures are shown as percentages of total assets and total liabilities. The total assets are taken as 100 and different assets are expressed as a percentage of the total. Similarly, various liabilities are taken as a part of total liabilities. These statements are also known as component percentage or 100 percent statements because every individual item is stated as a percentages where changes in items could not be compared with the totals have been covered up. The analyst was able to assess the figures in relation to total values.

Here are presented the common-size statements of selected societies. They shows the inter-firm comparison of the selected societies. They show the trend of the financial position of these selected societies.

Common-size financial position

The common-size financial position of sample societies during the period from 1997 to 2001 is presented in Table 5.21.

Table 5.21

COMMON SIZE OVERALL FINANCIAL POSITION OF SAMPLE SOCIETIES

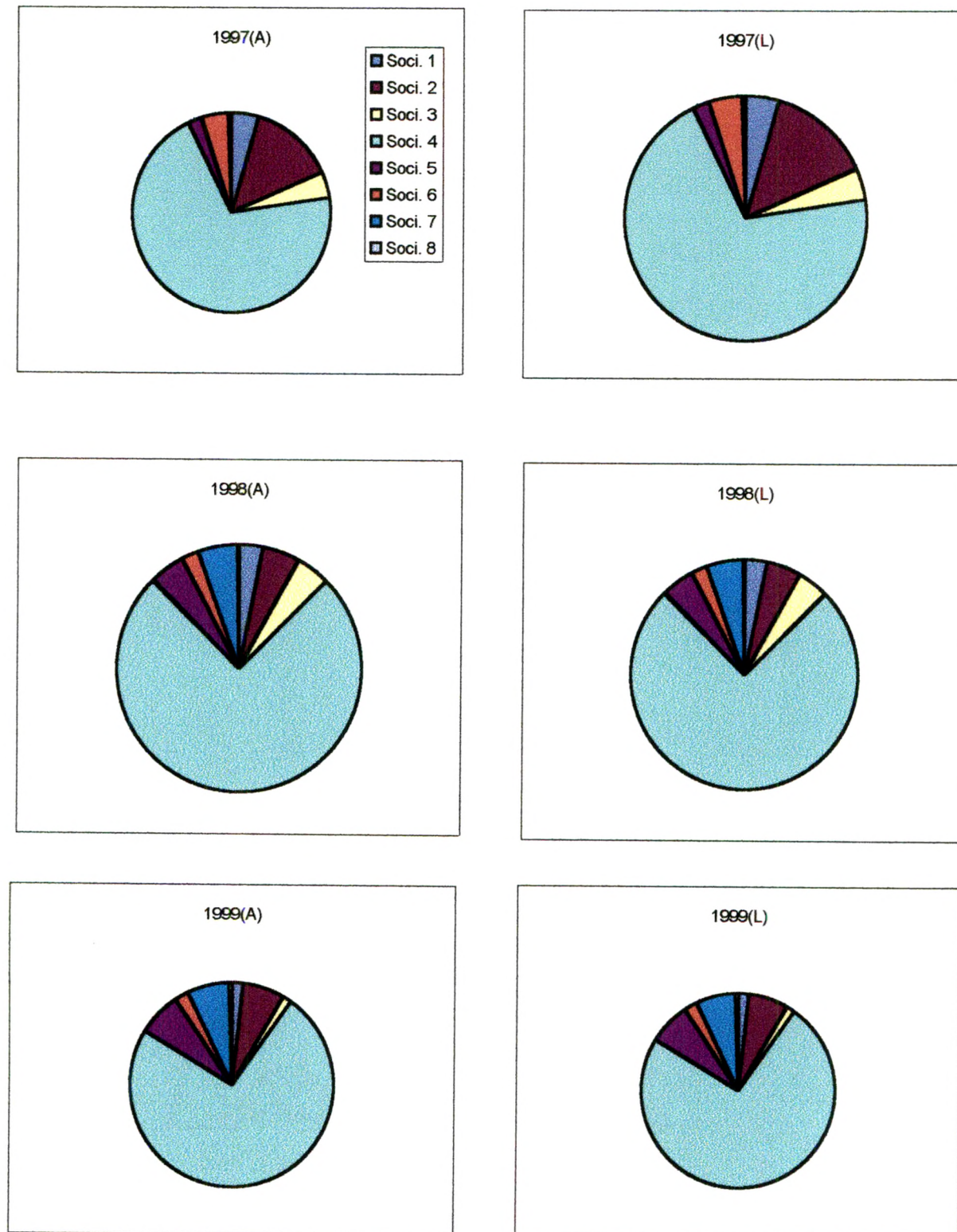
Figures in Lakhs

Item	Number of selected Societies															
	1		2		3		4		5		6		7		8	
	1997	2001	1997	2001	1997	2001	1997	2001	1997	2001	1997	2001	1997	2001	1997	2001
Total Assets	2.95	1.61	9.14	6.20	2.76	0.63	46.56	148.21	1.47	5.65	2.92	5.68	0.25	3.06	0.14	2.12
Current Assets	0.21	0.11	0.07	0.01	0.03	0.01	1.52	3.98	0.03	0.16	0.01	0.01	0.01	0.10	0.04	0.02
Owned funds	0.13	0.25	0.12	0.39	0.01	0.19	10.34	68.72	-0.01	0.06	0.30	1.14	0.06	0.41	-0.01	0.17
Rank	7		6		8		1		3		2		4		5	

Source – Annual Reports of the Societies

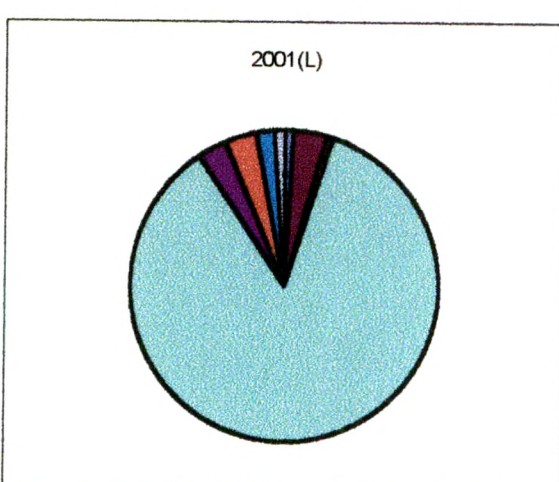
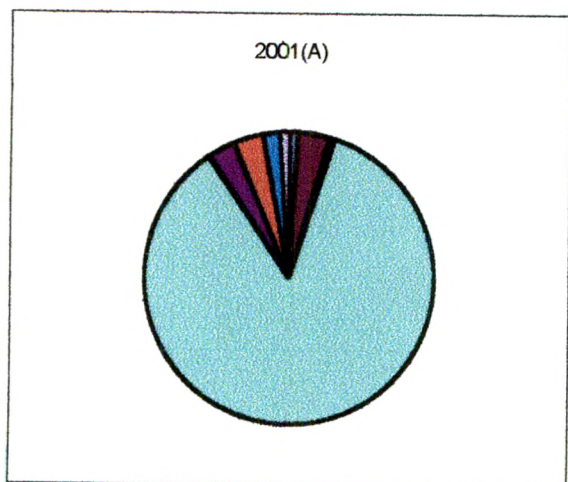
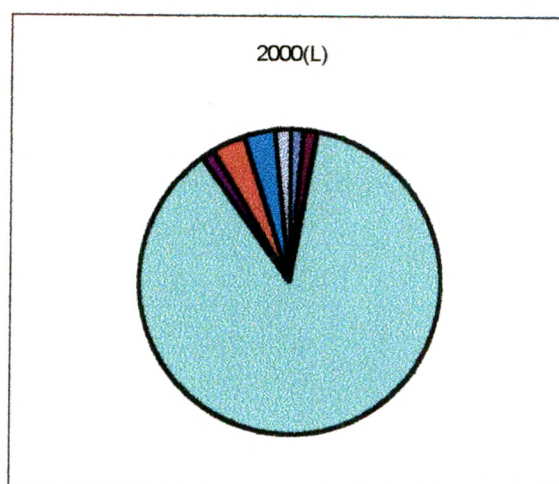
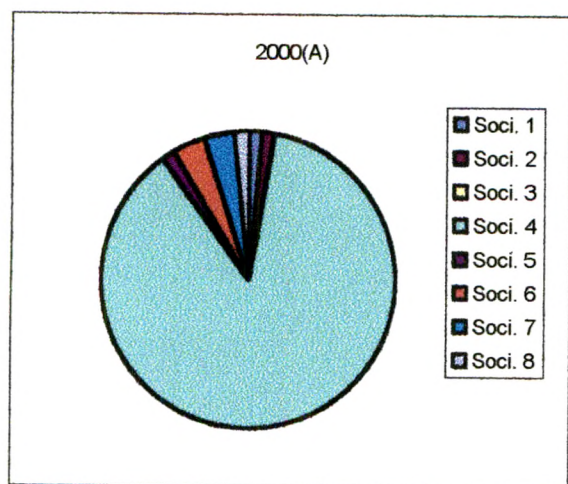
Graph 5.3

**Common-Size Balance Sheet Position of Selected Societies
As on 31st March, 1997, 31st March, 1998 and 31st March, 1999.**



A' indicates - Assets and 'L' Indicates - Liabilities

**Common-Size Balance Sheet Position of Selected Societies
As on 31st March, 2000 and 31st March, 2001.**



A' indicates - Assets and 'L' Indicates - Liabilities

Society number 1 Karveer Kamgar Majur Co-operative Society society number 2 Gurukrupa Majur Co-operative Society and society no 3 Revansidha Majur Co-operative Society showed a decreasing trend in terms of total assets. The current assets of these societies decreased. The total assets of remaining five societies showed an increased trend. Their current assets also increased. There was an increased in owned funds also. The overall ranking of the sample societies was as follows.

Rank	Name of the Society
1	Kolhapur Majur and Hamal Co-operative Society
2	Sandeep Majur Co-operative Society
3	Mahalaxmi Majur Co-operative Society
4	Suswagatam Majur Co-operative Society
5	Tilbhandarshwar Majur Co-operative society
6	Gurukrupa Majur Co-operative Sociery
7	Karveer kamgar Co-operative Society
8	Revansidha Co-operative Society