FINANCIAL PERFORMANCE EVALUATION OF DAIRY COOPERATIVE FEDERATIONS: COMPARATIVE STUDY, PUNJAB & HARYANA

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ABSTRACT

A dairy is a business enterprise established for the harvesting or animal milk for human consumption. India is the highest milk producer in the world. A cooperative is an autonomous body of persons based on certain values and principles. The dairy industry plays an important role in the socio economic development of India. The dairy cooperatives form an integral part of dairy industry in India. The two dairy federations MILKFED, and DAIRYFED were set up their respective states, Punjab and Haryana in 1973 and 1977. These federations have been set up and work under the similar objectives and structure. MILKFED market a wide range of products under brand, ‘VERKA’. ‘DAIRYFED’ market a wide range of products under brand ‘VITA’. The both dairy federations come into existence with the objective of bringing prosperity among milk producers in the state also provide an efficient network for marketing their products. They also advise guide, assist and control of milk unions, milk plants and chilling centres working under purview of respective federations. This research paper is to evaluate the financial performance evaluation of MILKFED and DAIRYFED and their comparative analysis. To measure the financial performance evaluation, one of the financial tools ratio analysis is used. Some important ratios are used in research paper. These are debit-equity, current ratio, salary and wages to sales, return on investment, gross profit, stock turnover, return on assets, return on equity, earning per share, working capital turnover and quick ratio. The studies cover the period of 10 years i.e. 2001-02 to 2010-11. From the analysis it is concluded that financial performance of Milkfed is better than DAIRYFED.

Keywords: Dairy, Milk, MILKFED, DAIRYFED, Dairy Federation.
1. INTRODUCTION

A dairy is a business enterprise established for the harvesting or animal milk for human consumption. A dairy farm produces milk and a dairy factory processes it into a variety of dairy products. These establishments constitute the dairy industry, a component of the food industry. India has one of the largest stocks of cattle’s and buffaloes with more than 54 percent of the world’s buffaloes and 20 percent of its cattle respectively and together they form 23 percent of the world’s bovine population. India is also the highest milk producer i.e. approximately 122 million tonnes in the world but is only 16 percent of the world’s milk production. This has been mainly due to the low average yields of cows and buffaloes in the country.

The average annual milk yield of cows and buffaloes in India has been estimated at only 382 lbs. and 117 lbs respectively. There are 25 well defined breeds of cattle and eight breeds of buffaloes in the country, but vast majority of these cattle and buffaloes are non-descript and poor productivity.

1.1 Meaning: Milk is nature’s solution to the feeding of the human baby and thus becomes very important in people’s diet. It is first and only food, which enters the human system after birth and is the sole natural food for infants for the first few months of their life. As the ideal food, milk contains almost all the nutrients in ample qualities for growth and maintenance of life.

1.2 Milk composition: Freshly down milk varies in chemical composition. Some of the more important causes of variations are the species of mammals, the breed, the age of the individual, the stage of her location, her feed, her health and the season of the year. In many countries as well as in India, milk plays a major role in the diet of growing child. Milk and honey are the only articles of diet whose sole function in nature in food.

1.3 Milk Production in the World: Today, India is the largest milk producing country in the world with 122 million tonnes milk production. Credit for this goes to the OF programme of the 1970’s implemented successfully under the direction of Dr. Kurien, former Chairman of NDDB.

1.4 Milk Production in India: India’s milk demand is projected to be 166 million tonnes by 2020 compared to the actual production 122 million tonnes in 2011. About 35 percent of the total milk produced is processed. The organized sector processes about 13 million tonnes. There were more than 75000 dairy cooperative societies which are spread all over the country. Their membership is more than 10 million. The cooperative structure in the country consists of 21 state federations, 192 district unions, and 117,575 primary milk producers cooperative societies. Out of 100 litres of milk produced, the rural countryside retained 44 litres and the balance 56 litres is marketable surplus for the urban areas.

1.5 A Brief Profile of Selected Dairy Cooperative Federations: The research had made an attempt to study the comparative performance evaluation of state owned dairy cooperative federations of two states namely Milkfed in Punjab and Dairyfed in Haryana. The profiles of these state dairy cooperative federations have been briefly discussed in the subsequent paragraphs.
1.5.1 Dairy Cooperative Federation In Punjab: The Dairy Cooperative Federation in Punjab named as the Punjab State Cooperative Milk Producers Federation Limited i.e. Milkfed was registered on 1.12.1973 by the Assistant Registrar cooperative societies. Ropar under the Punjab State Cooperative Societies Act 1961 with its registered address Ropar at Chandigarh. The federation came into existence with the objective of bringing prosperity among milk producers of the state. Not only by just providing them adequately remunerative costs, but also through an efficient network for marketing their products. A subsidiary objective of providing milk and nutrition to consumers of affordable price has also been accorded due recognition. These twin objectives can be achieved in the larger context of the state by working out sustained viability of the dairy cooperatives in free market.

1.5.2 Dairy Cooperative Federation In Haryana: Firstly the dairy corporation was formed in Haryana in 1970 which continued active functioning till 31.02.1977. Thereafter, the Haryana Dairy Development Cooperative Federation Ltd. (Dairyfed) registered under Haryana Cooperative Societies Act 1984 with the registered address Ambala at Headquarter at Chandigarh. The main objectives of the federation are to promote economic interest of milk producers of Haryana state particularly belonging to economically weaker section thereof by purchase and processing of milk into milk products and marketing thereof by itself or through milk unions and by undertaking allied activities as are conclusive for the promotion of dairy industry such as improvement of milch cattle and promotion of milk production.

1.5.3 Milkfed Punjab Viz. Dairy Fed at glance: The both federations Milkfed and Dairyfed were set up in their respective states in 1973 and 1977. These institutions have been working as dairy cooperative federations for more than 40 years. They operate various milk unions and milk plants and manufacture, process and sale the variety of milk products.

2. REVIEW OF LITERATURE: The objective of study is to identify the performance indicators of dairy cooperative federations in Punjab and Haryana states, to measure performance and to compare performance of both the federations on the basis of measured performance. Performance indicator defined as numerical values which provide a measurement for assessing the quantitative performance of a system. When the indicators shows difference in one direction, this means that the situation is better whereas if it shows difference in the opposite direction then this means that the situation is less favorable. Performance indicators only can present clear picture and measures on performance as quantitative aspects. Further, final focus of most of all these measurement models and quality assurance models are to focus and identify the appropriate performance measurement indicators. Analytic Quality Glossary defined “Performance indicators are data, usually quantitative in form, that provide a measure of some aspect of an individual’s or organization’s performance against which changes in performance or the performance of others can be compared” Many scientists and economists have written the research articles and books on dairy industry, performance evaluation of cooperative societies and dairy cooperative federation. A detailed review of some of the important previous studies have been made and presented as under keeping in the objectives of the study.
Singh (2008) studied the performance of Punjab cooperative sugar federation Ltd. (Sugarfed). He employed financial ratio analysis as an indicator to evaluate financial performance of the federation. He studied different ratios such as gross profit ratio, net profit ratio, inventory turnover ratio, working capital ratio and interest coverage ratio of 15 cooperative sugar mills under the federation in Punjab. The secondary data for period of year 2001-02 to 2006–07 i.e. six years was collected from the cooperative sugar mills. The tables, graphs and bar diagrams are also used in the study. The study concluded that most of the sugar mills ratios are negative. Hence the financial performance of these mills are not good. Out of 15 mills, 7 mills are already closed and many others may closed in future.

Kaur (2011) made a comparative analysis of operational performance in MILKFED and HDDCF. The author selected various physical indicators like number of functional societies, number of unions, number of members, plants, chilling centres, average daily milk procurement, peak procurement of milk. The secondary data for period of year 2005-06 to 2009-2010 was collected from the selected federation. The author was calculated the annual growth rates and the compound growth rates. The study concluded that the MILKFED is performing much better than HDDCF.

Khanna (2011) mentioned in the article that high in the prices of milk is a result of increase in the procurement rate of milk. The author is also describe that the dairy milk procurement by Milkfed in Punjab is around 11 lacs litre per day. Of this, 8.5 lac litres is sold as milk. While the remaining is process into other milk products like, butter, ghee, curd, lassi and kheer.

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Pushpesh (2013) evaluate the all aspects of animal husbandry. The objective of the study to know about cattle husbandry and buffalo husbandry at national and international. Their role in dairy industry. The study was included the aspects like species, use as food, economy, population of cattle in India and other countries, different types buffalo, found in different countries, milk composition analysis.

3. RESEARCH METHODOLOGY

3.1 Need of the study: The dairy industry plays an important role in the socio-economic development of India. The dairy industry in India is instrumental in providing cheap nutritional dairy production to its vast population and also generates huge employment opportunities for people in rural areas. The dairy cooperatives farm an integral part of dairy industry in India. Research on this sector is required as more than 70 percent of people in Punjab and Haryana are depend on farming. Dairy farmers are usually agricultural farmers. Dairy farming is an allied activity for them. Also dairy farming is the only agricultural activity that can be carried out throughout in Punjab and Haryana in all the seasons. Livestock rearing is an integral part
of crop farming. The states dairy cooperative federations play an important role in procurement and selling of milk and products. The Punjab State Cooperative Milk Producers Federation Limited (MILKFED) and the Haryana Dairy Development Cooperative Federation Limited (DAIRYFED) are playing important role in the development of dairy industry respectively. These federations have been set up and work under almost similar objectives, functions and structure. Their product portfolio has also similar. Both the Punjab and Haryana are adjoining states. The present study is attempt to evaluate financial performance and on the basis financial analysis make an attempt to the comparative financial evaluation.

As the review of literature of previous chapter different aspects of study mentioned from the year 1965 to 2013. It revealed that many research have already been done on different topics of dairy industry, dairy cooperatives, milk cooperatives in Kerala. Amul dairy and cooperative sectors as already mentioned in the review of literature. But no research yet have been done on performance evaluation of cooperative federations i.e. Milkfed in Punjab and Daityfed in Haryana. Hence, there is a great need for research on the topic taken for study.

3.2 Scope of Study

The present study has been undertaken to measure and evaluate the financial performance of dairy cooperative federations i.e. milkfed and daityfed in two states Punjab and Haryana. The study covers the period of 10 years from 2001-2002 to 2010-2011.

3.3 Objectives of Study

The primary objectives of the study are:

- To identify financial performance tools of dairy cooperative federations.
- To measure financial performance in the context of above selected tools.
- To compare financial performance of both the dairy cooperative federations on the basis of measured performance.
- To suggest the measures for improving financial performance of dairy cooperative federations in Punjab and Haryana states.

3.4 Research Methodology

The study is primarily based on whole secondary data i.e. population relating financial performance of two dairy cooperative federations i.e. milkfed, Punjab and dairyfed, Haryana. The secondary data was collected from relevant annual report of two federations.

3.4.1. Sources of Data: The secondary data was collected from the following sources.

ii. Official records published as well as un-published of two dairy federations;
iii. Performance highlights of dairy federations;
iv. In addition to above the continuous visits to milkfed, Punjab and dairyfed, Haryana. Many times a discussion with the dairyfed federation staff resulted in valuable information.

3.4.2 Financial Evaluation: Analysis of financial statements consists in separating facts according to the some definite plan arranging them in groups according to certain characteristics and the presenting them in a convenient and easily understandable form. According to John Myer, “Financial analysis is a study of relationship among the various financial factors in a business as disclosed by a single set of statements and a study of the trend of there factors as shown of statements”. The analysis (Evaluation) of financial statements means such a treatment of the information contained in financial statements as to afford a full diagnosis of the profitability and financial position of the firm concerned.

3.4.2.1 Ratio analysis: One of the financial evaluation tools, is used for financial evaluation, ratio analysis of Milkfed, Punjab and Dairyfed, Haryana.

A Ratio is a simple arithmetical expression of the relationship of one number of another. It may be defined as the indicated quotient of the mathematical expressions. A ratio is the relation of the amount. A large number of financial ratios are in use. They fulfil wide variety of objectives and functions. Managers evaluate performance and exercise control, investors match their expectations and lenders undertake credit applicable with their help. Some important ratios are used to evaluated and compare the financial performance of the both dairy cooperative federations. Following ratios have been calculated:

3.4.2.1 (A) Debt Equity Ratio

This is ratio is calculated to measure the extend to which debt financing has been sue din a business. The ratio indicates the proportionate claims of owners and outsiders against the federation’s assets. The purpose is to get an idea of the cushion available to outsiders on the liquidation of the federation.

Debt equity ratio: \[ \frac{\text{Total long term loan}}{\text{Total equity share + Reserve & Surplus + Cumulative Profit/Loss}} \]

(b) Current Ratio

It is the ratio of total current assets to total current liabilities:

\[ \text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \]

(c) Salary and Wages to sale Ratio

This ratio is calculated to ascertain the relationship that exists between salary and wages expenses to net sales.

Ratio is calculated : \[ \frac{\text{Salary and Wages}}{\text{Net Sales}} \times 100 \]
(d) Return on Investment Ratio

The profit being the net result of all operations the return on investment expresses all efficiencies or inefficiencies of a business collectively and thus, is a dependable measure for judging its overall efficiency or inefficiency.

\[
ROI = \frac{\text{Annual Net Income}}{\text{Total Equity share + Reserve & Surplus + Cumulative Profit / Loss}}
\]

(e) Gross Profit Ratio

The gross profit margin reflects the efficiency with which management produces each unit of product. A high gross profit margin ratio is a sign of good management. A low gross profit margin may reflect higher cost of goods sold due to the firm’s inability to purchase at favourable terms, inefficient utilization of plant and machinery, or over investment in plant and machinery, resulting in higher cost of production.

\[
\text{Gross Profit Margin} = \frac{\text{Gross Profit} / \text{Gross Loss} \times 100}{\text{Net Sales}}
\]

(f) Stock Turnover Ratio

Every federation has to maintain a certain level of inventory of finished goods so as to be able to meet the requirements of the business. But the level of inventory should neither be too high nor too low.

\[
\text{Stock turnover ratio} = \frac{\text{Cost of Good sold}}{\text{Average Inventory}}
\]

\[
\text{Cost of good sold} = \text{Net Sales} - \text{Gross profit} + \text{Gross loss}
\]

\[
\text{Average inventory} = \frac{\text{Opening Stock} + \text{Closing Stock}}{2}
\]

(g) Return on Assets Ratio

Net income is the after tax income. It can be found on income statement. The ratio establishes the relationship between net income and total assets.

\[
\text{ROA} : \frac{\text{Annual Net Income}}{\text{Total Assets}}
\]

Higher values of return on assets show that business is more profitable. This ratio should be only used to compare companies in the same industry.
(h) **Return on Equity Ratio:** Profitability from the point of view of equity shareholders will be judged after taking into account the amount of dividend payable to the preference shareholders. The Return of Equity will therefore be computed on the following basis:

\[
\text{ROE:} \frac{\text{Net Profit}}{\text{Total equity share + Reserve & Surplus + Cumulative Profit / Loss}}
\]

(i) **Earnings Per Share Ratio:** In order to avoid confusion on account of the variant meanings of the term capital employed, the overall profitability can also be judged by calculating ‘earning per share’ with the help of the following formula:

\[
\text{Earnings Per share:} \frac{\text{Net Profit after tax and preference dividends}}{\text{No. of equity shares}}
\]

(Rs. 1000 per share)

(J) **Working Capital Turnover Ratio**

A comparison of the results of these statistical techniques and ratio analysis over the study period will help in analyzing the selected financial and physical indicators of two federations to assess the performance evaluation of each federation, if there has been any improvement or deterioration in the mean levels as well as any increase or decrease in the variation among the two dairy cooperative federations i.e. Milkfed, Punjab and Dairyfed, Haryana.

\[
\text{Working capital Ratio:} \frac{\text{Cost of Good sold}}{\text{Average net working Capital}}
\]

A comparison of the results of these statistical techniques and ratio

(K) **Quick Ratio**

It establishes relationship between liquid assets and current liability.

\[
\text{Quick Ratio} = \frac{\text{Quick assets}}{\text{Current assets}}
\]

Quick assets includes all the current assets minus inventory and prepaid expenses. Rule of thumb for quick ratio is 1:1; this ratio provides a idea of the liquidity of a firm.

4. **EMPIRICAL STUDY AND DATA ANALYSIS**

Ratio analysis has been applied as a parameter to judge the various comparative financial indicators to measure the financial performance of both the dairy cooperative federations. The important ratios already mentioned were calculated and analyzed.
4.1 Comparative Analysis Of The Debt Equity Ratio Of Milkfed In Punjab And Dairyfed In Haryana

The ratio is established relationship between borrowed finds and owner’s equity. With this ratio the long term financial soundness of any business can be judged by its long term creditors by testing its ability to pay interest standing charges regularly and its ability to repay the principal as per schedule. To calculate this ratio in both dairy cooperation federation i.e. milkfed, Punjab and dairyfed, Haryana, to take shareholders funds, share capital (both government and members) and add reserve and surplus, if there is accumulated profit added, if there is accumulated loss it will be deducted. Total calculate the total long term debt, includes all total long term loans. A high debt-equity ratio which indicates that claims of outsiders are greater than those of owners. A ratio of 1:1 may be usually considered to be satisfaction ratio; even there cannot be any standard norm for all type of business. It was evident from the figure 4.1 that in the milkfed, Punjab the debit equity ratio in 2001-02, 0.15 times and dairyfed, Haryana it is 3.59 times, it means dairyfed, Haryana is better as compared to milkfed, Punjab. In 2002-03, milkfed, debit equity ratio slightly increased i.e. 0.25 times but dairyfed, the ratio used reduced i.e. 3.35 times; it was decremented trend in milkfed with 0.18 times. This trend was recorded and the lowest ratio it was in year 2007-08 and 2008-09 i.e. 0 times and again increased in 2009-10 i.e. 0.04 times, 2010-11 slightly dropped down i.e. 0.03 times. In dairyfed, Hayrana recorded decrement in debt equity ratio in study period taken for research i.e. 2001-2011 i.e. 3.59 times to 0 times in 2001-02 to 2010-11. As compared to the milkfed with dairyfed, in debit equity ratio, in dairyfed, this is higher than milkfed in studied period. The highest ratio is 2001-2002 i.e. 3.59 times, it means the long term loans are the highest in this year and the lowest in three years i.e. 2008-2011 same i.e. 0 times, reason believed this is, that the long term loans are zero in this period. Similarly situation seen in milkfed in two years i.e. 2007-09 i.e. 0 times. Dairyfed, Haryana has taken more long term loan as compared to Milkfed, Punjab.

FIGURE: 4.1 COMPARATIVE ANALYSIS OF THE DEBT EQUITY RATIO OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011
4.2 Comparative Analysis Of The Current Ratio Of Milkfed In Punjab & Dairyfed In Haryana

It is the ratio of total current assets to the total current liabilities. Current assets are those which are usually converted into cash or consumed within short period. Current liabilities are required to be paid in short period normally one year. Current ratio indicates the ability of the business to meet its maturing current liabilities. 2:1 ratio is regarded or satisfactory level. It was evident from the table that the milkfed, Punjab, current ratio in 2001-02 was 1.54 times, in 2002-03 slightly increased 1.55 times again reduced 1.49 times in 2003-04, increased the ratio in 2004-05, 1.60 times, again dropped down in 2005-06, 1.55 times and remain same 2006-07, in 2007-08 again reduced 1.50 times, 2008-09 it was increased 1.68 times, 2009-2010 to 2010-11, ratio was reduced 1.62 times to 1.59 times. The highest current ratio was 1.62 times in 2009-10, this is better position to meet the current liabilities as compared to other years covered under study period. The minimum current ratio of milkfed was 1.49 times in year 2003-04, there were less ability to meeting the current liabilities as compared to the other years.

It was evident from the figure 4.2 that dairyfed in Haryana, current ratio in 2001-02 was 1.10 times, it was reduced 2002-03, 1.09 times and again 2003-2004, 1.06 times, again increased 1.10 times in 2004-05 and reduced 1.07 times in 2005-06, increased in 2006-07, 1.08 times, 2007-2011, there is increasing trend of current ratio and the highest in 2010-11 i.e. 3.24 times. Dairyfed was very satisfactory position to meeting its current liabilities in 2010-11. A comparative study between milkfed and dairyfed for current ratio 2001-02 to 2008-09 milkfed position was better to meet current liabilities, as ratio was higher than dairyfed. But in the later years 2009-11, dairyfed position was better to meet current liabilities as ratio was higher than milkfed, there was less variation in current ratio in milkfed as compared to dairyfed as study period taken for research.

**FIGURE 4.2: COMPARATIVE ANALYSIS OF THE CURRENT RATIO OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011**
4.3 Comparative analysis of the Salary & Wages to Sales ratio of Milkfed in Punjab and Dairyfed in Haryana.

This expense ratio is calculated to ascertain the relationship that exists between salary and wages expenses to volume of sales. It indicates the portion of sales which is consumed by salary and wages expenses. To calculate this ratio in both dairy cooperative federations, salary and wages includes EPF Expenses, gratuity, medical expenses, salary and wages to employees, leave encashment bonus/ex gratia, traveling allowances expenses. It was evident form the figure 4.3 that in the milkfed, this ratio 2001-02, 25.93 percent and there was reducing trend over all the years 2002 to 2011 and it dropped down minimum in 2010-11. Milkfed had comfortable situations 2001 towards 2001-11 as ratio was decreasing. It means salary and wages expenses were decreasing trend and net sale was in increasing trend. Salary and wages ratio in case of dairyfed, is much higher than as compared to milkfed, in 2001-02, it was 6582 percent in 2002-03, 4217 percent upto 2008-09, it was decreasing and reached to 177.7 percent again it was increased in 2009-10 i.e. 392.6 percent and decreased in 2010-11 i.e. 357.6 percent. Reasons for such trend in dairyfed, net sales was decreasing and salary and wages expenses were increasing. The salary and wages ratio in dairyfed much higher than milkfed.

**FIGURE 4.3 COMPARATIVE ANALYSES OF THE SALARY & WAGES TO SALE OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011**

4.4 Comparative analysis of the Return on Investment (ROI) of Milkfed in Punjab and Dairyfed in Haryana.

This ratio show the federation had employing the funds efficiently or not. It is calculated by total annual net profit/loss and divided by equity shareholders funds and multiplied by 100. Shareholders’ funds include total
equity share, reserve and surplus and accumulative profit/loss. It was evident from the figure 4.4 that in milkfed 2001-02, ratio 9.35 percent in 2002-03 reduced 4.14 percent again increased in 2003-04 5.55 percent reached 8.50 percent in 2004-05, then dropped 8.43 percent in 2005-06 and same in 2006-07, again reduced in 2007-08, 4 percent in 2008-09 increased by 7.25 percent, there is increasing trend upto 2011 i.e. 12.09 percent. In dairyfed, 2001-08, the ratio was negative, in 2009-10, it was positive. It was the highest in 2009-10 i.e. 8.10 percent; dairyfed had maximum net profit in this year. 2001-08 it had net loss due to this ratios were negative. There is a significant difference among the milkfed and dairyfed in retun on investment ratio. Milkfed position was better as compared to dairyfed as all the years ratio were positive and the highest 2010-11 i.e. 12.09 percent. Dairyfed, this ratio was higher than milkfed 7.44 percent and 2008-09 and 8.16 percent, 2009-10 as compared to milkfed was 7.25 percent and 8.01 percent.

FIG. 4.4 COMPARATIVE ANALYSIS OF THE ROI OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011

4.5 Comparative analysis of the Gross Profit Ratio of Milkfed in Punjab and Dairyfed in Haryana

Gross profit is the excess of the proceeds of good sold and services tendered during a period over their cost, before taking into consideration the administration, selling and distribution and financial expenses. Gross profit ratio is the ratio of gross profit to net sales. This ratio reflects the margin of profit that a concern is able to earn on its trading and manufacturing activity. A high gross profit ratio is a sign of good management. It
was evident from the figure 4.5 that in milkfed, this ratio was positive in all years taken in the study period. In 2001-02 it was 24.8 percent, in 2002-03, reduced to 18.15 percent, in the 2003-05 it was increasing trend and reached to 25.55 percent in 2004-05 which was the highest ratio in the study period. In this year, milkfed able to produce the products at relative lower cost as compared to other years. 2005-11, there was a decline trend of this ratio and reached to the lowest in 2010-11 i.e. 18.15 percent. Dairyfed, gross profit ratio, in 2001-02 was negative i.e. .331 percent. This year, federation was not able to produce the products at relative lower as compared to other years. In 2002-03, it was 36.87 percent and there was a decline trend of this ratio 2003 to 06 and reached – ratio in 2005-06, i.e. 2.80 percent, again increasing trend was seen in period 2007 to 2010 and reached the highest ratio i.e. 522.7 percent in 2009-10, dairyfed was the most comfortable position in this year as compared to other year taken in study period. In 2010-11, ratio was reduced to 10.32 percent. A comparative analysis of milkfed and dairyfed, in milkfed this ratio was more consistent than dairyfed. In dairyfed, this ratio was not consistent. In 2001-02, it was negative and in 2009-10, it was the highest i.e. 520.7 percent. In year 2001-02, 2004-05, 2005-06, 2010-11, milkfed was in better position, than others years taken in the study period.

4.6 Comparative analysis of the Stock Turnover Ratio of Milkfed in Punjab and Dairyfed in Haryana.

This ratio indicates the velocity with which stock of finished goods is sold. It is ratio of cost of good sold to average inventory. Average level of inventory maintained should neither be too high nor too low. High
turnover suggests efficient inventory control, sound sale policies, trading in quality products, reputation in the market, and better competitive capacity. It was evident from the figure 4.6 that in milkfed, Punjab 2002-03 to 2004-05, this ratio was similar i.e. 7 times in 2005-06 this ratio was slightly reduced i.e. 6 times, in 2006-07 again it was 7 times, 2007-08, it was increased i.e. 9 times, 2008-09 reduced this ratio 7 times, 2009-10, it was increased and 2010-11, it remained same. Dairyfed, Haryana initially 2002-03, ratio was 0 times, 2004-06 increasing trend, 2003-04, it was 1 times and 2005-06, it was the highest ratio i.e. 4 times, 2006-07 to 2009-10, it was in decreasing trend, 2006-07, it was 1 times and 2009-10 it was the lowest i.e -3 times, it indicated that this year, inventory turnover ratio was not efficiently maintained. Hence, the same position as 2009-10. In 2010-11, ratio increased i.e. 8 times. A comparative analysis, inventory turnover ratio in milkfed more consistent as compared to dairyfed. During the study period, all the years’ milkfed, ratios were positive but in dairyfed, ratio was less consistent and 2002-03, ratio was zero times and 2007-10, ratio was negative. It was evident from the table that the stock turnover ratio, milkfed is better than dairyfed.

FIG. 4.6 COMPARATIVE ANALYSIS OF THE STOCK TURNOVER RATIO OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011

4.7 Comparative analysis of the (ROA) Return on Assets of Milkfed in Punjab and Dairyfed in Haryana

This ratio established the relationship between net income to total assets, ROA gives an idea as to how to efficiently management is at using its assets to generate earnings. It was evident from the figure 4.7 that in milkfed, 2001-2002, this ratio was 3.60 times, in 2002-2003, it was reduced 1.66 times, 2003-04 to 2006-07 it was increasing trend, 2003-04 it was 1.99 times and 2006-07 it was reached 3.21 times. In 2007-08 it was...
reduced 1.43 times and 2008-09 to 2010-11, it was moving upward direction and reached the highest in 2010-11, 4.88 times. In this year of study period, management efficiently used the assets to generate the income. Dairyfed in 2001-02, this ratio was negative i.e. 0.003 times, in 2002-03; it was slightly increased 0.001 times. In 2003—04 to 2005-06, this was 0 times, in 2006-07, it was increased i.e. 0.008 times up to 2009-010 its was increasing trend and reached to 0.073 times, again it was reduced in 2010-11, 0.002 times.

As compared within years of study period, 2006-07 to 2007-08, this ratio higher as compared to other years, so assets were efficiently used. In 2001-02, it was negative, there was a net loss of Rs. 15.10 lacs. A comparative analysis of return on assets ratio, milkfed was better position as compared to dairyfed in study period. As all the years, this ratio was higher than dairyfed.

4.8 Comparative analysis of the Return on Equity (ROE) of Milkfed in Punjab and Dairyfed in Haryana.

This ratio is established the relationship between net profit/net loss and equity shareholders funds. Equity shareholder’s funds include the equity share plus reserves & surplus plus accumulative profit minus accumulating loss if any, this ratio is calculated in percentage. It was evident from the figure 4.8 that milkfed in 2001-02, this ratio was 10.38 percent, in 2002-03 it was reduced to 5.17 percent, 2003-04 to 2005-06, it was in increasing trend and reached to 8.79 percent in 2005-06, 2006-07, it was decreased 8.59 percent and 2007-08, further decreased and the lowest in the study i.e. 4 percent in 2008-2009 to 2010-11, it was increasing trend, ratio reached the highest 12.50 percent in 2010-11. Dairyfed, ROE ratio in 2001-02 it was negative -2.25 percent in 2002-03, it was increased 0.34 percent, in 2003-04, it was decreased 0.22 percent,
2004-05 again slightly increased 0.24 percent in 2005-06 again same ratio of 2003-04 i.e. 0.22 percent, in 2006-07, there was steep increase i.e. 6.67 percent, in 2007-08, there was approximately double increase as compare to 2006-07, i.e. 12.94 percent it was the highest ratio in study period. This year dairyfed was better position as compared to other years. A comparative analysis of ROE in milkfed and dairyfed, milkfed was comparatively better as, they efficiently used the equity shareholders funds and also get more net profit. The highest ratio was in 2010-11 i.e. 12.50 percent. But in dairyfed 2001-02 it was negative, there was net loss in this year, the highest ratio was in 2007-08 i.e. 12.94 percent. It was highest as compared to all the years under study in dairyfed and milkfed.

FIG. 4.8 COMPARATIVE ANALYSIS OF THE (ROE) RETURNS ON EQUITY OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011

4.9 Comparative analysis of the Earning per share (EPS) Ratio of Milkfed in Punjab and Dairyfed in Haryana.

This ratio is established the relationship between the net profit and number of equity shares. Overall profitability can be judged through this ratio. EPS was higher means, that more earning, financial position of organizations is better. This ratio is calculated in Rs. It was evident from the Figure 4.9 that milkfed in 2001-02 EPS Rs. 157.88, in 2002-03, it was Rs. 77.13, in 2003-04, it was Rs. 100.12 and in 2004-05 it was Rs. 148.86 and Rs. 148.32 in 2005-06, it was Rs. 161.45 in 2006-07, it was decreased Rs. 86.24 and increased in 2008-09 i.e. Rs. 181.87 and 2009-10, it was again increased i.e. Rs. 204.87 and 2010-11 further increased i.e. Rs. 333.89. Dairyfed in 2001-02, this ratio was negative Rs. -10.86, in 2002-03, EPS was positive Rs.1.72, in 2003-04, decreased 1.16 in 2004-05, increased Rs. 1.23 in 2005-06 again decreased Rs. 1.18, in 2006-07 there was a steep increase Rs. 40.08, in 2007-08 this ratio was approximately double increased i.e. Rs. 93.49, again
further increase in EPS in 2008-9 i.e. Rs. 128 and 2009-10 i.e. Rs. 120.12 and steep decreased in 2010-11 i.e. Rs. 2.36. A comparative analysis of milkfed and dairyfed in EPS ratio, milkfed was higher ratio as compare to dairyfed, it had more earning per share, dairyfed in 2001-02, this ratio was negative, means earning per share is negative, and there was net loss this year. The highest earning per share was Rs. 333.89 in milkfed in the year 2010-11, milkfed was corporately much better financially other than year 2007-08 than dairyfed in study period.

FIG. 4.9 COMPARATIVE ANALYSIS OF THE EPS RATIO OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011

4.10 Comparative analysis of the Working Capital Turnover Ratio of Milkfed in Punjab and Dairyfed in Haryana

It establishes relationship between the cost of good sold and net working capital. This ratio provides useful idea of how efficiently working capital is being used. Increasing ratio indicates that working capital is more active and more intensively used. It was evident from the figure 4.10 that milkfed in 2001-02, this ratio was 0.32 times, 2002-03, it was increased, 0.38 times, in 2003-04 it was decreased 0.35 times, in 2004-05 same ratio as 2002-03 i.e. 0.38 percent times, in 2005-06 to 2010-11 it was increasing trend, in 2005-06 it was 0.42 times and in 2010-11, the highest working capital ratio i.e. 0.85 times. In dairyfed, 2001-02, it was 0.21 times, in 2003-03 it was 0.22 times, in 2003-04 it was decreased i.e. 0.10 times, in 2004-05 both years same ratio i.e. 0.20 times, in 2006-07 to 2007-08, again same ratio i.e. 0.25 times, 2008-09 to 2010-11, it was...
decreasing trend from 0.23 times to 0.13 times. A comparative analysis of milkfed and dairyfed, it was clear that working capital turnover ratio of milkfed in all the years, under study period comparatively higher than dairyfed. Working capital in milkfed more efficiently used as compared to dairyfed.

**FIG. 4.10 COMPARATIVE ANALYSIS OF THE WORKING CAPITAL TURNOVER RATIO OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011**

<table>
<thead>
<tr>
<th>Year</th>
<th>Milkfed</th>
<th>Haryana</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>0.32</td>
<td>0.21</td>
</tr>
<tr>
<td>2002-03</td>
<td>0.38</td>
<td>0.22</td>
</tr>
<tr>
<td>2003-04</td>
<td>0.35</td>
<td>0.18</td>
</tr>
<tr>
<td>2004-05</td>
<td>0.38</td>
<td>0.20</td>
</tr>
<tr>
<td>2005-06</td>
<td>0.42</td>
<td>0.20</td>
</tr>
<tr>
<td>2006-07</td>
<td>0.49</td>
<td>0.25</td>
</tr>
<tr>
<td>2007-08</td>
<td>0.51</td>
<td>0.25</td>
</tr>
<tr>
<td>2008-09</td>
<td>0.52</td>
<td>0.23</td>
</tr>
<tr>
<td>2009-10</td>
<td>0.77</td>
<td>0.17</td>
</tr>
<tr>
<td>2010-11</td>
<td>0.85</td>
<td>0.13</td>
</tr>
</tbody>
</table>

**4.11 Comparative analysis of the Quick Ratio of Milkfed in Punjab and Dairyfed in Haryana**

This ratio is also known as liquid ratio. It established relationship between liquid assets and current liabilities. Quick assets include all the current assets minus inventory and prepaid expenses. As rule of thumb the ratio is 1 : 1, this ratio is depend on circumstances, it will be depend up type of business. It was evident from the figure 4.11 that milkfed this ratio was 1.47 times in 2001-02 and in 2002-03 this ratio was 1.46 times slightly decreased in 2003-04, i.e. 1.4w times again in 2004-05, 1.51 times again increased in 2005-06 this ratio was decreased 1.44 times, again increased in 2006-07 i.e. 1.46 times, 2007-08, it was 1.41 times, in 2008-09, increased by 1.51 times, in 2009-10 it was reduced by 1.45 times, further decreased in 2010-11, it was 1.43 times. Dairyfed in 2001-02 this ratio was 14.85 times, in 2002-03 it was steeply decreased i.e. 2.77 times, in 2003-04 it was further decreased i.e. 1.93 times, in 2004-05 again increased i.e. 2.53 times and 2005-06 to 2006-07 it was decreasing trend and reached 1.52 times in 2006-07 and 2007-08, this ratio was increased i.e. 1.57 times, again decreased in 2008-09, i.e. 1.43 time, 2009-10 and 2010-11 it was increasing trend and reached in 2010-11 i.e. 3.22 times. A comparative analysis of the quick ratio of milkfed, Punjab and dairyfed, Haryana, ideal ratio is required i.e. 1: 1. In dairyfed, 2001-02, this ratio was the highest i.e. 14.45 times, current liabilities were not efficiently managed with the quick assets. The other years of study period this
ratio varies between 3.2 times to 1.43 times. Except year 2001-02, 2002-03, 2004-05, 2009-10 and 2010-11, other years of study period, dairyfed managed the current liabilities efficient with quick assets. But milkfed, all years under the study period, managed efficient liquid assets against current liabilities.

**FIG. 4.11 COMPARATIVE ANALYSIS OF THE QUICK RATIO OF MILKFED IN PUNJAB AND DAIRYFED IN HARYANA SINCE 2001 – 2011**

5. **FINDING OF STUDY**

To judge the financial performance evaluation of two dairy cooperative federations i.e. milkfed in Punjab and dairyfed in Haryana as the object of the study, ratio, analysis, financial evaluation tool were used. To evaluate and compare the financial performance of federations of two states, selected ratios were calculated on availability of secondary data in the period of 10 years taken i.e. 2001-02 to 2010-11. The following findings were found from the research:

1. Debit equity ratio can be judged the financial soundness of two dairy cooperative federations taken in the study. Milkfed, Punjab, the debit equity ratio in 2001-02, 0.15 times and the highest ratio was in 2002-03 i.e. 0.25 times, afterwards from 2003-04 it was decreasing i.e. 18 times and the lowest in 2007-08 to 2008-09 in two years i.e. zero times and last year of study period i.e. 2010-11 i.e. 0.03 times. It means first four years of study i.e. 2001-05, more long terms loan as compared last six years of its study i.e. 2006-2011. Even in two years i.e. 2007-09, long terms loans were zero times in this period. In dairyfed, Haryana, in the study period, debt equity ratio in 2001-02, 3.59 times and the highest ratio in the year 2003-04 i.e. 3.67 times and last years of study period i.e. 2008-11, it was zero times. It means in first seven years of the study period, it has more long terms loans as
2. Current ratio indicates the ability of the dairy cooperative federation to meet its maturing current liabilities normally one year. It was found from the study that in milkfed, Punjab this ratio varies from 1.49 times to 1.68 times in the study period i.e. 2001-2002 to 2010 – 2011. The highest current ratio of milkfed, Punjab was 1.68 times in the year 2008-09 and the lowest i.e. 1.49 times in the year 2003-04. In the dairyfed, Haryana the current ratio in study period varies from 1.06 times, the lowest in the year 2003-04 and 3.24 times, the highest in the year 2010-11. A comparative study between milkfed, Punjab and dairyfed, Haryana, in the study period, 2001-02 to 2008-2009, milkfed position was better to meet current liabilities liability as ratio was higher in milkfed than dairyfed, but in the later years of study period i.e. 2009-11, dairyfed position was better than, milkfed. There was less variation in current ratio in milkfed as compared to dairyfed in the study period. It means that milk fed’s current assets and current liabilities were more stable that dairyfed.

3. The salary and wages to sales ratio was indicate the portion of net sales which was used to pay salary and wages of dairy cooperative federation. It was found from the study that in milkfed, Punjab, this ratio was the highest in the year 2001-02 i.e. 25.93 percent and the lowest in the year 2010-11 i.e. 12.03 percent. Milkfed, Punjab this ratio was decrement trend from 2001-02 to 2010-11 in the ten years as study period. It means, less portion, of net sales was used to repay the salary and wages in milkfed. It was better trend for milkfed except the year 2008-09, i.e. very less increase in this ratio. In dairyfed, Haryana, this ratio was highest in 2001-02 i.e. 6582 percent as compared to the lowest in the year 2008-09 i.e. 177.7 percent in the study period. This ratio was decreasing in year 2001-02 to 2008-09 and again it was increased in 2010-11 and very less decrease in 2009-11. In comparison of milkfed, Punjab to dairyfed, Haryana, dairyfed has the higher ratio in all years of study period than milkfed. Reasons for such were due to less volume of sale in dairyfed, Haryana in compared to milkfed, Punjab. Milkfed, Punjab was better as compared to dairyfed, Haryana.

4. Return on investment ratio ascertains that funds were efficiently employed or not. It was observed from the data analysis that milkfed, Punjab, in the study period, the highest ratio was 25.85 percent in the year 2004-05 to the highest 12 percent in the year 2010-11. In the year 2001-02, it was 9.35 percent, in 2002-03 it was decreased 4.14 percent, in the year 2003-04, it was increased, this upward trend continued till 2006-07, again it was decreased by 4 percent and 2007-08 it was increasing trend. In dairyfed, Haryana return on investment ratio was varies between the -8.2 percent in the year 2004-05 to 8.16 percent in the year 2009-10. In the year 2001-02 it was negative i.e. -4.5 percent and it was negative till 2007-08 and in the year 2008-09 it was 7.44 percent and the highest in the year 2009-10 i.e. 8.16 percent and again decreased 0.21 percent in the year 2010-11. In comparison, in the study period out of ten years, seven years, this ratio was negative in dairyfed, Haryana, but milkfed, Punjab all years under study period this ratio was positive. Milkfed, Punjab was better as compared to dairyfed, Haryana in all years taken in study period.

5. Gross profit, ratio reflects the margin of profit that a dairy cooperative federation is able to earn on its manufacturing activity. It was observed from the data analysis that milkfed, Punjab, in the study period, the highest ratio was 25.85 percent in the year 2004-05 and the lowest ratio was 18.15 percent in the years 2002-2003 and 2010-11, in dairyfed Haryana, this ratio varied, the lowest ratio –
331 percent in the year 2001-02 and the highest ratio 522.7 percent in the year 2009-10. In comparison, milkfed, Punjab this ratio was more consistent than dairyfed, Haryana. The study period from 2001-11, dairyfed, Haryana this ratio was better in the years 2002-3, 2003-04, 2006-07, 2007-08, 2008-09 and 2009-10, as it was higher, the remaining four years, this ratio was higher in milkfed, Punjab, hence milkfed was in better position.

6. Stock turnover ratio is the ratio of cost of good sold to average inventory. A high stock turnover ratio, indicators efficient management of inventory. It was found from the study that milkfed, Punjab; the ratio varies from 6 times to 9 times as period taken in research. In dairyfed, Haryana, this ratio was varies from -13 times to 4 times. In comparison, inventory turnover ratio in milkfed, Punjab more consistent than dairyfed, Haryana. In dairyfed, Haryana, this ratio was negative in three years i.e. 2008-10. Milkfed, Punjab was better than dairyfed, Haryana.

7. Return on assets ratio shows the relationship between net income and total assets. This ratio was measured by using assets efficiently how much earnings were received. It was found from the study that in milkfed, Punjab, the highest ratio was 4.88 times in the year 2010-11 and the lowest ratio was 1.43 times in the year 2007-08. In dairyfed, Haryana in the study period, this ratio was normally zero times and due to net loss, in 2001-02, this ratio was negative. In comparatively, milkfed, Punjab was better position than dairyfed; Haryana as all the years in study, this ratio was higher in milkfed, Punjab.

8. Return on equity (ROE) ratio is established the relationship between net profit/loss and equity shareholders funds this ratio is measure the profitability of the dairy federation. This ratio gives potential investors a very real way to measure how well the federation is producing profits with the money already invested in the business. It was found from the study that milkfed, Punjab, the highest ratio was 12.50 percent in the year 2010-11 and the lowest ratio was 4 percent in the year 2007-08. In dairyfed, Haryana, this ratio was varies -2.25 percent in the year 2001-02 and the highest ratio was 12.94 percent in the year 2007-08. In comparison milkfed, Punjab, all years in study period, this ratio was higher than dairyfed, Haryana except three years i.e. 2008 to 2010. In dairyfed, Haryana, it was not better position in the year 2001-02, as this ratio was negative, even in the years, 2002-03, 2003-04, 2004-05, 2005-06 and 2010-11, this ratio was less than one percent and also lower than milkfed, Punjab. Hence overall profitability of milkfed was better than dairyfed in the study period taken expect three years, i.e. 2008-10.

9. Earning per share (EPS) is established the relationship between the net profit and number of equity shares. This ratio is measure the profitability of the dairy cooperative federation. It was found in the study that milkfed, Punjab, the highest EPS was Rs. 333.89 in the year 2010-11 and the lowest was Rs. 77.10 in the year 2002-03. In dairyfed, Haryana, this ratio varies Rs.10 in the year 2001-02 to Rs. 128 in the year 2008-09. In comparison, this ratio was higher in milkfed, Punjab than dairyfed, Haryana in the study period except three years 2007-08. Milkfed was financially sound than dairyfed in all the years in study period except the year 2007-08.

10. Working capital turnover ratio is an indicator of the short term financial credibility of the federation. This ratio establishes relationship between the cost of good sold and net working capital. It was found from the study that milkfed, Punjab the highest ratio was 0.85 times in the year 2010-11 and the lowest ratio was 0.32 times in the year 2001-02 in the study period. In dairyfed, Haryana this ratio was
varies from 0.18 times. In the year 2010-11 to 0.25 times in the years 2006-07 and 2007-08. In milkfed, Punjab trend of this ratio was increasing on study period i.e. 0.32 times in year 2001-02 to 0.85 times in the year 2010-11, it means working capital was efficiently used year by year. In dairyfed, Haryana no specific trend was seen. In comparison milkfed, Punjab this ratio was higher in all the years’ studies in research than dairyfed, Haryana. Hence milkfed was more efficiently used the working capital than dairyfed.

11. Quick ratio shows the relationship between liquid assets and current liabilities. The ideal ratio is 1:1. It was found from the research that in milkfed, Punjab this ratio was the highest 1.57 times and the lowest was 1.41 times in the study period. In dairyfed, Haryana, this ratio was varies 14.85 times in the year 2001-02 to 11.43 times in the year 2008-09. It means in the year 2001-02, current liabilities were not managed efficiently. Even the years 2002-03, 2004-05, 2009-10, and 2010-11, this ratio was 2.77 times, 2.53 times, 2.83 times and 3.22 times respectively i.e. higher. It means even these years of study period, current liabilities were not efficiently managed with quick assets. In comparatively, milkfed, Punjab in all years in study efficiently managed the current liabilities with quick assets than dairyfed, Haryana.

6. RECOMMENDATIONS OF STUDY

1. The study was found from debit-equity ratio that dairyfed, Haryana has more long term loans than milkfed, Punjab in the study period. Dairyfed, Haryana should take efforts to reduced the long term loans to make balance.

2. It was observed from the study that current ratio of milkfed, Punjab 2:1 ratio as ideal ratio i.e. satisfactory level in all years of study period but dairyfed, Haryana, this ratio was not with satisfactory level. Hence, dairyfed, Haryana should take steps to make equilibrium between current assets and current liabilities.

3. It was found from the study that salary and wages to net sale ratio of dairyfed, Haryana has the higher ratio in all year of study period than milkfed, Punjab. Reasons for such trend in dairyfed was due to less value of sale in compared to milkfed, Punjab in the study period. More efforts should be required to increase the net sale of milk and other dairy products.

4. It was observed from the study that Return on investment Ratio (ROI) of dairyfed, Haryana seven years of ten years a study period, it was negative. It means there will be net loss in these years, when ratio was negative, but in milkfed, Punjab, this ratio was positive in all years taken as study period. Dairyfed Haryana should make efforts to improve the net profit so that this ratio can be positive.

5. It was found from the study that milkfed, Punjab gross-profit ratio was higher than dairyfed, Haryana in the study period taken in 2001-02 to 2010-11 research except six years i.e. 2002-04, 2006 to 2010, and Dairyfed, Haryana should take efforts to increase the profitability of business in the years in the study period i.e. 2001-02, 2004-05, 2005-06 and 2010-11, the remaining years of study milkfed, Punjab should take efforts to improve the profitability position.

6. It was observed from the study that stock turnover ratio of milkfed, Punjab of all the years was positive and higher than dairyfed, Haryana in the study period. Hence dairyfed, Haryana should take efforts to
improve the stock turnover ratio. It is also only positive through efficient inventory control and sound sale policies.

7. It was observed from the research study that return on assets ratio of milkfed, Punjab efficiently used the assets to get earnings than dairyfed, Haryana in all the years in study period. As all the ratios in dairyfed was approx. zero in study period. Efforts were required to dairyfed to improve this ratio.

8. It was found from the research study that except the years 2007-08 to 2009-10, the other years of study period return on equity was higher in milkfed, Punjab than dairyfed, Haryana. Even in the study period 2001-02, this ratio was negative in dairyfed, Haryana i.e. -2.25 percent, due to net loss in this year. Dairyfed, Haryana should take steps to improve this ratio.

9. Earnings per share ratio (EPS) was higher in milkfed, Punjab than dairyfed, Haryana in all study period taken in research. Hence, dairyfed, Haryana should take efforts to improve this ratio also.

10. It was found from the study that working capital turnover ratio, a comparative analysis of milkfed, Punjab and dairyfed, Hayana in all the years under study period, ratio was higher in milkfed than dairyfed, Haryana. Hence more efforts are required by dairyfed, Haryana to improve this ratio.

11. It was found from the research that in quick ratio, milkfed, Punjab in all the years, in study period efficiently managed the current liabilities with quick assets than dairyfed, Haryana. Hence dairyfed, Haryana should required more efforts to efficiently managed the current liabilities with quick assets.

7. FURTHER AREA OF RESEARCH

The further research can be taken on secondary data collected by other dairy cooperative federations for financial performance evaluation and there comparative analysis by using other financial analysis tools. Research can be done on dairy cooperatives societies in one district, inter-districts or inter-states.

8. CONCLUSION

The two dairy federations MILKFED and DAIRYFED were set up their respective states, Punjab and Haryana in 1973 and 1977 and work under the similar objectives and structure. In the study ratio analysis, as one of the financial evaluation tools was used to evaluate and compare the financial performance of these two dairy federations. As the objective of the study eleven ratios were selected to measure the financial performance. It is concluded from the study that in all the ratios, the financial health of MILKFED, Punjab was better as compare to DAIRYFED, Haryana.

REFERENCES