Profitability analysis of Fisheries Co-operative Societies in Ratnagiri District, Maharashtra.
by Miss. Meenal Gajanan Khandake [a] & Dr. Makarand Raghunath Sakhalkar [b]

Abstract
In this research, paper researcher collect information of profitability analysis of fisheries cooperative societies in Ratnagiri district. In Ratnagiri there are 80 fisheries co-operatives societies. Ratnagiri is located in western coast of Maharashtra called the konkan region. There are five maritime districts in Maharashtra viz. Thane, Mumbai, Raigad, Ratnagiri and Sindhudurg from where the fishing vessels operate. Ratnagiri district is one of the most important maritime districts of the state with the coastal belt extending about 167 km. The fishing industry from Ratnagiri is solely dependent upon the exploitation of the marine resources. From the socio economic point of view the district is considered as underdeveloped. Fishery activity is also not developed in true sense. It has rich fishery resources; however the available potential has not been fully utilised. The financial situation of co-operative societies in India cannot be claimed sound at present. Many societies became insolvent and others are on the verge of mergers or liquidation. Keeping in mind the vulnerable situation of the co-operative societies, many committees suggested for revitalization of co-operative societies and Government announced the financial package to co-operative societies. This study is limited to Financial year 2016-17.

Keywords : Profitability analysis, Fisheries co-operative societies, Ratnagiri, Co-operative, Fishery.

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1. Introduction
Fishery co-operative movement is considered to be the most effective way to develop the fishery industry and improve the standard of living of the poor fishermen. It is also viewed that fishery cooperatives could spare from the exploitation and improve their socio-economic conditions. Efforts made in this direction have yielded good results in some areas, but the overall picture of fishery co-operatives is not encouraging. It is therefore required to strengthen fishery co-operatives and revitalise their activities. There is a need to create an economically viable, technically sound and professionally managed fishery co-operative which should be capable of providing genuine support to fishers. The Fisheries co-operative societies have been established with laudable objective, they are suffering from various problems and as a result, their financial
performance is very precarious. Therefore, it is necessary to assess the financial performance of these societies. In this background, the present study intends to focus on Profitability analysis of fisheries co-operatives societies run by various departments.

2. Review of literature

The present study is the first of its kind. But there are a number of studies, which are related to the present study. A review of existing studies, undertaken by both individuals and institutions, was found highly useful in designing the present study. A brief account of some of the relevant studies made previously is given below.

P. Venkata Rao (February, 1986) in his study “Finance for marine fishermen”, He examines the role of institutional agencies in supply of finance to marine fishermen. His concluded that To reduce the debt burden among marine fishermen. This is possible only when the governmental agencies are able to collect fish catches from the different fish lending centres regularly at reasonable price.

C Viswanathan (April, 1997) “Fishing industry in Kerala: A study of the internal marketing in marine fishing.” In his view to analyse the working of the internal marketing system in marine fresh fish in Kerala, to examine the price system of the primary fish markets and the wholesale fish market. He arrived at conclusion that an effective price policy is necessary for fish market. Such a policy should guarantee reasonable return to the producer and fair price to the consumer with planned effort, Government can easily work out a policy that can meet the above twin objective and bring about stability in fish price.

T. Mathew Philip M.A. (May, 1997) “Traditional fishermen community in Kerala and their development through co-operatives.” Focused his attention to examine the impact of the welfare activities, development schemes implemented by the Government and co-operatives in improving the socio-economic conditions of the traditional fishermen community. He concluded by NCDC started promoting and developing fisheries co-operatives after its Act was amended in 1974 to cover fisheries within its purview. In order to discharge these functions effectively, NCDC has formulated specific scheme and pattern of assistance for enabling the fisheries co-operatives to take-up activities relating to production, processing, storage, marketing etc. Such assistance is provided to fishermen co-operatives on liberal terms treating the activity as a weaker section's programme.

Alavi Kutty P. M. 2004 “Socio-economic problems of fishermen in Kerala with special reference to Malabar region.” In his view To examine socio-economic and marketing problems of fishermen in the Malabar region. He concluded that Majority members of the community are educated up to primary level. Fishermen borrow money from fisheries co-operative society and various other sources Middlemen play dominant role in the marketing of fish.

expenditure and level of fish catch in Karnataka had positive relationship. The Government expenditure contributed to the reduction inequalities in the income and asset distribution among beneficiary fishermen.

S. Steela Bai. March, 2007 “The Fisherwomen co-operative societies and their impact on the economic well being of the fisher folk with special reference to Kanyakumari district.” In his studies to analyse the economic impact of Fisheries women co-operative societies on fisherwomen before and after their membership in FWCS’s. He concluded that, Many Governmental welfare schemes and education trainings are extended to fisherwomen only through fisherwomen co-operatives.

A Joseph Arul Suresh January, 2010 “The development of the fishing industry and its environment implications with special reference to Kanyakumari District.” In his view to study the growth of the fishing industry in kanyakumari. He concluded that, The fisheries department should evolve a code of conduct for all kinds of fishing activities. The central and state Government should provide for measures which could be adopted for ensuring law and order.

M. Punitha December, 2010 “Problems and prospectus of fishery entrepreneurship in Chennai city.” In his study fishing problems, Marketing problems, Financial problems and fishery entrepreneurs in Chennai city. He arrived at the conclusion to reduce production cost to cancel taxes on imported in board and out board motors. Co-operative societies should make available ice plants, cold storage and processing units to its members. Loan facility and subsidy for craft, equipment, diesel and oil should be extended to the poor and needy community.

Mr. Dadpir Moulasab Jakati June, 2011 “Development of marketing of fishing resources of Goa.” He focused his attention to study the fish marketing activities in the study area and problems of fishing industry. He arrived at the conclusion Fishermen supply nearly 80% of their fish catch to market centres and the remaining 20% supplied to Hotels, restaurants.

Rajeev B. May, 2015 “SHG’s and co-operatives in the fishing sector: An inclusive development option for the fisher folk of Kerala.” He focused his attention To evaluate the effectiveness and functioning of fishermen SHG’s through co-operatives in socio-economic empowerment and inclusive development and to evaluate living standard of fisher folk, poverty and income in equalities among fisheries sub sectors. He arrived at the conclusion that, The co-operative movement is effective only if it is backed by financial assistance from the Government in the form of schemes and programmes based on three perception of fisher folk, need to design and develop more such schemes was identified and Some of the activities done by the group (like fish vending, sale of fish food items etc.) are seasonal as they are related to the catch structure training, finance and marketing support from MATSYAFED.

3. Objective of the study

1) To measure and compare the profitability of fisheries co-operative societies in Ratnagiri district.

2) To study the overall profitability analysis of fisheries co-operative societies through ratio analysis.
4. Research methodology

Ratnagiri district consist of nine tahasil which are Mandangarh, Dapoli, Khed, Guhagar, Chiplun, Sangmeshwar, Ratnagiri, Lanja and Rajapur. In this study researcher used stratified random sampling method for selecting fisheries co-operative societies. In stratified random sampling strata was decided on the basis of large and small fisheries co-operative societies. Reasonable 25% sample will be taken for this study. 80 fisheries co-operatives societies in Ratnagiri district out of 20 societies selected on random basis. This study is limited to one year for 2016-17.

4.1 Primary Source:-
Primary data collected through Interviews with managerial personnel executives of fisheries co-operative societies and staff, wherever necessary observation method used in this study.

4.2 Secondary data
Fisheries co-operative society’s annual reports, various reports of Governmental organisations assistance provided to fisheries co-operative societies, and information available on internet.

4.3 Sampling of data

<table>
<thead>
<tr>
<th>Taluka</th>
<th>Small societies</th>
<th>Large societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dapoli 06</td>
<td>1 Shriram machhimar sahakari society limited, Pandhari</td>
<td>1 Harne paj fishing trading and credit co-operative society limited Pandhari</td>
</tr>
<tr>
<td></td>
<td>2 Kadsiddheshwar matsya vyavasayik sahakari sanstha maryadit Harne, paj pandhari</td>
<td>2 Dabhol khadi machhimar sahakari society limited, Dabhol</td>
</tr>
<tr>
<td></td>
<td>3 Hari om rastale sahakari matsya vyavasayik sanstha Maryadit, Pandhari.</td>
<td>3 Burondi machhimar sahakari society limited, Burondi</td>
</tr>
<tr>
<td>Guhagar 05</td>
<td>1 Jaibharat Machhimar Sahakari sansta Maryadit, Palashet</td>
<td>1 Padave Machhimar Sahakari sansta Maryadit, Padave</td>
</tr>
<tr>
<td></td>
<td>2 Shri valukseshwar Machhimim Sahakari sansta Maryadit, Asgoli</td>
<td>2 Navanagar Machhimar Sahakari sansta Maryadit, Navanagar Veldur</td>
</tr>
<tr>
<td></td>
<td>3 Veldur Machhimar Sahakari sansta Maryadit, Veldur</td>
<td></td>
</tr>
<tr>
<td>Ratnagiri 07</td>
<td>1 Bhatye Machhimar Sahakari sansta Maryadit, Bhatye</td>
<td>1 Jaigad Machhimar Sahakari sansta Maryadit, Jaigad</td>
</tr>
<tr>
<td></td>
<td>2 Matyagandha Machhimar Sahakari sansta Maryadit, Kasarweli</td>
<td>2 Karla Machhimar Sahakari sansta Maryadit, Karla</td>
</tr>
<tr>
<td></td>
<td>3 Parshuram Machhimar Sahakari sansta Maryadit, Paws</td>
<td>3 Mirakarwada aadarsh Machhimar Sahakari sansta</td>
</tr>
</tbody>
</table>

“Anobhaadraakrathavoyanthuvishwathaha” - “Let the noble thoughts come to all from all directions”. Page No.4

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### 4.4 Data analysis and Interpretation

#### Overall profitability analysis of fisheries co-operative societies

A) Net profit to Total income

\[
\text{Net profit to Total income} = \frac{\text{Net profit before Interest & Tax}}{\text{Total Income}} \times 100
\]

B) Return on Capital Employed

\[
\text{Return on Capital Employed} = \frac{\text{Net profit after tax}}{\text{Total Assets}} \times 100
\]

C) Return on Proprietors funds

\[
\text{Return on Proprietors funds} = \frac{\text{Net profit after tax}}{\text{Proprietor’s funds}} \times 100
\]

#### A) Small scale fisheries co-operative societies

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the society</th>
<th>Net Profit to Total Income ratio</th>
<th>Return on Capital Employed</th>
<th>Return on Proprietors funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shriram machhimar sahakari society limited, Pandhari</td>
<td>20.69%</td>
<td>1.62%</td>
<td>2.72%</td>
</tr>
<tr>
<td>2</td>
<td>Kadsiddheshwar matsya vyavasayik sahakari sanstha maryadit Harne, paj pandhari</td>
<td>12.93%</td>
<td>0.24%</td>
<td>6.5%</td>
</tr>
<tr>
<td>3</td>
<td>Hari om rastale sahakari matsya vyavasayik sanstha Maryadit, Pandhari.</td>
<td>12.83%</td>
<td>1.61%</td>
<td>1.11%</td>
</tr>
<tr>
<td>4</td>
<td>Jaibharat Machhimar Sahakari sansta Maryadit,</td>
<td>54.68%</td>
<td>6.34%</td>
<td>6.35%</td>
</tr>
<tr>
<td>Palashet</td>
<td>Shri Valukeshwar Machhimari Sahakari sansta Maryadit, Asgoli</td>
<td>45.01%</td>
<td>4.66%</td>
<td>4.40%</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Veldur Machhimar Sahakari sansta Maryadit, Veldur</td>
<td>39.85%</td>
<td>4.45%</td>
<td>3.32%</td>
<td></td>
</tr>
<tr>
<td>Bhatye Machhimar Sahakari sansta Maryadit, Bhatye</td>
<td>17.60%</td>
<td>1.76%</td>
<td>1.26%</td>
<td></td>
</tr>
<tr>
<td>Matyagandha Machhimar Sahakari sansta Maryadit, Kasarweli</td>
<td>39.73%</td>
<td>1.83%</td>
<td>2.44%</td>
<td></td>
</tr>
<tr>
<td>Parshuram Machhimar Sahakari sansta Maryadit, Pawas</td>
<td>(12.48%)</td>
<td>(1.12%)</td>
<td>(1.12%)</td>
<td></td>
</tr>
<tr>
<td>Sakharinate Mahila Machhimar Sahakari sansta Maryadit, Sakharinate</td>
<td>(17.82%)</td>
<td>(4.63%)</td>
<td>(4.63%)</td>
<td></td>
</tr>
</tbody>
</table>

**NET PROFIT TO TOTAL INCOME RATIO**

Small scale fisheries co-operative societies

![NET PROFIT TO TOTAL INCOME RATIO](image)

*Figure 4.1 showing Net Profit to Total Income Ratio*

“Aanobhadraakrathavoyanthuvishwathaha” - “Let the noble thoughts come to all from all directions”. Page No.6
RETURN ON CAPITAL EMPLOYED

From the above diagram it is interpreted that ratio of maximum net profit to total profit of Jaibharat Machhimar Sahakari sansta Maryadit, Palashet Guhagar is highest. Sakharinate mahila Machhimar Sahakari sansta Maryadit, Sakharinate Rajapur net profit showing negative ratio.

Figure 4.2 showing Return on Capital employed

From the above diagram it is interpreted that ratio of maximum return on capital employed of Jaibharat Machhimar Sahakari sansta Maryadit, Palashet Guhagar is highest. Sakharinate mahila Machhimar Sahakari sansta Maryadit, Sakharinate Rajapur return on capital employed showing negative ratio.
RETURN ON PROPRIETORS FUNDS

Small scale fisheries co-operative societies

Figure 4.3 showing Small scale fisheries co-operative societies

From the above diagram it is interpreted that ratio of maximum return on proprietors funds of Kadsiddheshwar matsya vyavasayik sahakari sanstha maryadit Harne, paj pandhariDapoli is highest and Jaibharat Machhimar Sahakari sansta Maryadit, Palashet Guhagar is relatively lower. Sakharinate mahila Machhimar Sahakari sansta Maryadit, Sakharinate Rajapur return on proprietors funds showing negative ratio.

B. Large scale fisheries co-operative societies

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the society</th>
<th>Net Profit to Total profit ratio</th>
<th>Return on Capital Employed</th>
<th>Return on Proprietors funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Harne paj fishing trading and credit co-operative society limited Pandhari</td>
<td>21.63%</td>
<td>2.34%</td>
<td>9.16%</td>
</tr>
<tr>
<td>2</td>
<td>Dabhol khadi machhimar sahakari society limited, Dabhol</td>
<td>29%</td>
<td>2.37%</td>
<td>5.26%</td>
</tr>
<tr>
<td>3</td>
<td>Burondi machhimar sahakari society limited</td>
<td>35.18%</td>
<td>3.16%</td>
<td>4.79%</td>
</tr>
<tr>
<td>No.</td>
<td>District</td>
<td>Machhimar Sahakari sansta Maryadit, Location</td>
<td>Share 1</td>
<td>Share 2</td>
</tr>
<tr>
<td>-----</td>
<td>------------------</td>
<td>---------------------------------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>4</td>
<td>Burondi Padave</td>
<td>Machhimar Sahakari sansta Maryadit, Padave</td>
<td>29.66%</td>
<td>2.92%</td>
</tr>
<tr>
<td>5</td>
<td>Padave Navanagar</td>
<td>Machhimar Sahakari sansta Maryadit, Navanagar Veldur</td>
<td>38.56%</td>
<td>1.12%</td>
</tr>
<tr>
<td>6</td>
<td>Jaigad</td>
<td>Machhimar Sahakari sansta Maryadit, Jaigad</td>
<td>50.24%</td>
<td>4.55%</td>
</tr>
<tr>
<td>7</td>
<td>Karla</td>
<td>Machhimar Sahakari sansta Maryadit, Karla</td>
<td>23.20%</td>
<td>2.36%</td>
</tr>
<tr>
<td>8</td>
<td>Mirakarwada</td>
<td>aadarsh Machhimar Sahakari sansta Maryadit, Mirakarwada</td>
<td>28.80%</td>
<td>11.43%</td>
</tr>
<tr>
<td>9</td>
<td>Sakhinage</td>
<td>Machhimar Sahakari sansta Maryadit, Rajiwada</td>
<td>50.52%</td>
<td>3.82%</td>
</tr>
<tr>
<td>10</td>
<td>Sakharinate</td>
<td>Machhimar Sahakari sansta Maryadit, Sakharinate</td>
<td>37.81%</td>
<td>0.87%</td>
</tr>
</tbody>
</table>
NET PROFIT TO TOTAL INCOME RATIO

![Graph showing net profit to total income ratio for large scale fisheries co-operative societies.]

Figure 4.4 showing Net Profit to Total Income ratio

From the above diagram it is interpreted that ratio of maximum net profit to total profit of Ratnagiri Machhimar Sahakari sansta Maryadit, Rajiwada Ratnagiri is highest and Jaigad Machhimar Sahakari sansta Maryadit, Jaigad is relatively lower. Harne paj fishing trading and credit co-operative society limited Pandhari showing lower net profit to total profit ratio.

RETURN ON CAPITAL EMPLOYED

![Graph showing return on capital employed for large scale fisheries co-operative societies.]

Figure 4.5 showing Return on Capital Employed

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From the above diagram it is interpreted that ratio of maximum return on capital employed of Mirakarwada aadarsh Machhimar Sahakari sansta Maryadit, Mirakarwada Ratnagiri is highest. Sakharinate Machhimar Sahakari sansta Maryadit, Sakharinate Rajapur return on capital employed showing lower ratio.

**RETURN ON PROPRIETORS FUNDS**

![Graph showing return on proprietors funds](image)

**Figure 4.6 showing Return on Proprietors Funds**

From the above diagram it is interpreted that ratio of maximum return on proprietors funds of Jaigad Machhimar Sahakari sansta Maryadit, Jaigad Ratnagiri is highest and Jaibharat Machhimar Sahakari sansta Maryadit, Palashet Guhagar is relatively lower. Sakharinate Machhimar Sahakari sansta Maryadit, Sakharinate Rajapur return on proprietors funds showing comparatively lower ratio.

5. Findings:

5.1 Small scale fisheries co-operative societies

1) Net profit to total income ratio of Jaibharat Machhimar Sahakari sansta Maryadit, Palashet Guhagar is highest than other fisheries co-operative societies.

2) Return on capital employed of Jaibharat Machhimar Sahakari sansta Maryadit, Palashet Guhagar is highest than other fisheries co-operative societies.

3) Return on proprietors funds of Kadsiddheshwar matsya vyavasayik sahakari sanstha maryadit Harne, paj pandhari Dapoli is highest than other fisheries co-operative societies.
5.2 Large scale fisheries co-operative societies

1) Net profit to total profit of Ratnagiri Machhimar Sahakari sansta Maryadit, Rajiwada Ratnagiri is highest and Jaigad Machhimar Sahakari sansta Maryadit, Jaigad is relatively lower.

2) Return on capital employed of Mirakarwada aadarsh Machhimar Sahakari sansta Maryadit, Mirakarwada Ratnagiri is highest.

3) Return on proprietors funds of Jaigad Machhimar Sahakari sansta Maryadit, Jaigad Ratnagiri is highest and Jaibharat Machhimar Sahakari sansta Maryadit, Palashet Guhagar is relatively lower.

6. Suggestions

1) If society runs various departments like as short, medium and long term loan, diesel, food grain, fish trading, Ice factory, Ice transportation to final destination etc then society earn better profit from these department. In case one department in loss then society recover profit from other departments.

2) Proper documentation for loan cases must be ensured. It will lead to curtail the default cases in the recovery of loan.

3) Society should manage their increased business professionally with utmost care, so that profitability of these societies should increase in consonance with their productivity.

4) Representation of some professionals on board of directors of societies may be made mandatory. All BOD members should be properly educated about their role, responsibilities and duties, so that they may be actively associated with society management.

5) Minimum required staff needs to be recruited immediately, especially in small scale societies.

6) Internal control systems, inspection and internal audit systems should be strengthened and strongly implemented.

7) Need based computerisation should be immediately introduced.

8) Accounting standards need to be developed and make mandatory for these societies. In the absence of such standards, for the time being, Accounting standards issued by the ICAI should be followed.
7. Conclusion

The success of any financial system lies in the effective operations of all its components, viz. markets, services, instruments and institutions. Profitability of small scale fisheries co-operative societies under Parshuram Machhimar Sahakari sansta Maryadit, Pawas and Sakharinate mahila Machhimar Sahakari sansta Maryadit, Sakharinate are negative net profit to total income ratio, Return on capital employed ratio and Return on proprietors fund ratio. Profitability of large scale fisheries co-operative societies under all selected societies are good. Out of Jaigad Machhimar Sahakari sansta Maryadit, Jaigad, Mirakarwada aadarsh Machhimar Sahakari sansta Maryadit, Mirakarwada and Ratagiri Machhimar Sahakari sansta Maryadit, Rajiwada these societies working efficiently. The financial situation of co-operative societies in India cannot be claimed sound at present. Many societies became insolvent and others are on the verge of mergers or liquidation. Keeping in mind the vulnerable situation of the co-operative societies, many committees suggested for revitalization of co-operative societies and Government announced the financial package to co-operative societies.

8. References

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