

**A STUDY ON WORKING CAPITAL MANAGEMENT IN DHARMAPURI DISTRICT COOPERATIVE MILK PRODUCED UNIT – AT KRISHNAGIRI**

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Research Article

**A STUDY ON WORKING CAPITAL MANAGEMENT IN DHARMAPURI DISTRICT COOPERATIVE MILK PRODUCED UNIT – AT KRISHNAGIRI**

\*BARKAVI.G.E., \*\*K.RAVINDRAN., \*\*\*Ms.P.SUBA., \*\*\*\*Mr.R.Gopinath,

**ABSTRACT**

This Article is undertaken to study the effectiveness of working capital management at Dharmapuri district cooperative milk procedure union Ltd, Krishnagiri. The way in which the help in long range planning, budgeting and asset management to strengthen the financial performance difficulties are explained. The ability of an organization to analyze its financial position is essential for improving its competitive position in the market place. The objective of the study is to analyze the profitability of the company and to analyze the ratios of the company. Identify whether the company has growth potential and sound financial basic, to analyze the trend percentage. The outcomes of the study mainly focusing on the Cash Balance Level of the company when compared to current liabilities is too minimum and the management may improve the cash balance to an optimum level to meet the contingencies.

**OBJECTS**

- ❖ To analyze the working capital Management for different years.
- ❖ To know about the Total Working Capital Management of Dharmapuri district co-operative milk production union, Krishnagiri.
- ❖ To evaluate the inventory management of the company.
- ❖ To find out the overall profitability positions of the Dharmapuri district co-operative milk production union, Krishnagiri.
- ❖ To understand the overall financial performance of the company.

**RESEARCH DESIGN**

The sample unit - A Financial Year.

**DATA COLLECTION**

The sample size of the study is 5 years from 2013 to 2018

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<sup>1</sup>Department of Business Administration, Kalasalingam Business School, kalasalingam Academy of Research and Education (Deemed to be university).

<sup>2</sup>Associate Professor, Department of Business Administration, Kalasalingam Business School, kalasalingam Academy of Research and Education (Deemed to be university).

<sup>3</sup>Assistant Professor/Business Administration, Muthayammal College of Arts & Science, Rasipuram.

<sup>4</sup>Assistant Professor/ Department of Management Studies, Jayalakshmi Institute of Technology, Thoppur.

### TOOLS AND TECHNIQUES

- The Ratio Analysis, Schedule of Changes in Working Capital.
- The Comparative Balance Sheet.

### ANALYSIS AND INTERPRETATIONS

#### 1. CURRENT RATIO:

$$\text{CURRENT RATIO} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$$

YEAR	CURRENT ASSETS (Amount in crores)	CURRENT LIABILITIES (Amount in crores)	CURRENT RATIO (In times)
2013-14	1,137.90	667.43	1.70
2014-15	1,454.51	1,680.89	0.87
2015-16	2,070.77	1,734.84	1.19
2016-17	2,939.14	2,788.39	1.05
2017-18	4,671.90	3,767.60	1.24
<b>MEAN</b>	<b>2,454.84</b>	<b>2,127.83</b>	<b>1.21</b>

Source: Annual Report (2013-14 to 2017-18)

#### INTERPRETATION

The Current Ratio shows the decreasing trend. It is higher during the year 2013-14 with 1.70 and this is due to better current asset position. It is low with 0.87 during 2014-15. The current ideal ratio is 2:1.

#### 2. QUICK RATIO:

$$\text{QUICK RATIO} = \frac{\text{CURRENT ASSETS}}{\text{QUICK LIABILITIES}}$$

YEAR	CURRENT ASSETS (Amount in crores)	QUICK LIABILITIES (Amount in crores)	QUICK RATIO (In times)
2013-14	1,060.53	667.43	1.59
2014-15	1,352.43	1,680.89	0.80
2015-16	1,943.40	1,734.84	1.12
2016-17	2,790.49	2,788.39	1.00
2017-18	4,431.50	3,767.60	1.18
<b>MEAN</b>	<b>2,315.67</b>	<b>2,127.83</b>	<b>1.14</b>

Source: Annual Report (2013-14 to 2017-18)

#### INTERPRETATION:

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It is evident from the table of quick ratio of the company shows an average of 1.4:1 for the past five accounting years starting from 2013-14 to 2017-18. As it has an average of 1.14, it is said to be greater than the ideal quick ratio of 1:1.

**3. CASH RATIO:**

$$\text{CASH RATIO} = \frac{\text{BANK+CASH+MARKETABLE SECURITIES}}{\text{CURRENT LIABILITIES}}$$

YEAR	CASH (Amount in crores)	QUICK LIABILITIES (Amount in crores)	CASH RATIO (In times)
2013-14	267.94	667.43	0.40
2014-15	290.09	1,680.89	0.17
2015-16	536.89	1,734.84	0.31
2016-17	822.42	2,788.39	0.29
2017-18	1,849.20	3,767.60	0.49
<b>MEAN</b>	<b>753.31</b>	<b>2,127.83</b>	<b>0.33</b>

Source: Annual Report (2013-14 to 2017-18)

**INTERPRETATION:**

It is evident from the cash ratio shows an average of 0.33:1 for the past five years. The ideal cash ratio is 0.5:1.

**4. DEBT EQUITY RATIO:**

$$\text{DEBT EQUITY RATIO} = \frac{\text{TOTAL DEBT}}{\text{TOTAL DEBT + TOTAL EQUITY}}$$

YEAR	LONGTERM DEBT (Amount in crores)	SHARE HOLDERSSS FUND (Amount in crores)	RATIO (In times)
2013-14	915.98	3142.92	0.29
2014-15	469.10	4152.71	0.11
2015-16	482.03	4927.73	0.10
2016-17	566.92	6016.22	0.09
2017-18	523.82	6469.49	0.08

Source: Annual Report (2013-14 to 2017-18)

**INTERPRETATION:**

The debt equity ratio shows the decreasing trend. It is higher during the year 2013-14 with 0.29. it is low with 0.08 during 2015-16. Hence it represents a large margin of safety for the creditors increased in the five years.

**5. INTEREST COVERAGE RATIO:**

$$\text{INTEREST COVERAGE RATIO} = \frac{\text{EBIT}}{\text{TOTAL AMOUNT OF INTEREST EXPENSES}}$$

YEAR	EBIT (Amount in crores)	INTEREST (Amount in crores)	RATIO (In times)
2013-14	1619.50	52.03	31.13
2014-15	1717.18	23.94	71.73
2015-16	1736.60	39.96	43.46
2016-17	2294.39	84.30	27.22
2017-18	1461.45	56.78	25.74

Source: Annual Report (2013-14 to 2017-18)

#### INTERPRETATION:

From the above table the ratio has the peak value during 2013-18 and the ratio has been gradually decreased in the next years.

#### 6. PROPRIETARY RATIO:

$$\text{PROPRIETARY RATIO} = \frac{\text{SHAREHOLDERS FUNDS}}{\text{TOTAL ASSETS/FIXED ASSETS}}$$

YEAR	SHAREHOLDERS FUND (Amount in crores)	TOTAL TANGIBLE ASSETS (Amount in crores)	PROPRIETARY RATIO (In times)
2013-14	3142.92	5906.09	53.2
2014-15	4152.71	6741.76	61.59
2015-16	4927.73	8486.84	58.06
2016-17	6016.22	10084.61	59.65
2017-18	6469.49	11101.26	58.3

Source: Annual Report (2013-14 to 2017-18)

#### INTERPRETATION:

Above figures shows that proprietary ratio for the years 2013-14 to 2017-18. It is higher in the year 2014-15 with 61.59%. It is low in the year 2013-14 with 53.2%. the proprietary ratio is greater than 50% for all the 5 years. Hence safety to their creditors is assured.

#### 7. INVENTORY TURNOVER RATIO/STOCK TURNOVER RATIO:

$$\text{STOCK TURNOVER RATIO} = \frac{\text{COST OF GOODS SOLD}}{\text{AVERAGE INVENTORY}}$$

YEAR	NET SALES	INVENTORY	RATIO
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	(Amount in crores)	(Amount in crores)	(In times)
2013-14	5803.48	624.13	9.30
2014-15	7007.17	730.86	9.59
2015-16	7308.62	793.27	9.21
2016-17	8027.20	778.98	10.30
2017-18	7717.33	914.98	8.43

Source: Annual Report (2013-14 to 2017-18)

**INTERPRETATION:**

In the above figure shows the Inventory /Stock Turnover ratio of the company during the study period 2013 to 2018. Highest ratio is 10.30 during the year 2016-17 and it is due to the good inventory management in turning its inventory of finished goods into sales. Remaining year it was highest and lowest ratio.

**8. DEBTORS TURNOVER RATIO:**

$$\text{DEBTORS TURNOVER RATIO} = \frac{\text{NET SALES}}{\text{AVERAGE DEBTORS}}$$

YEAR	NET SALES (Amount in crores)	DEBTORS (Amount in crores)	Ratio (In times)
2013-14	5803.48	213.96	27.12
2014-15	7007.17	289.29	24.22
2015-16	7308.62	310.17	23.56
2016-17	8027.20	203.70	39.41
2017-18	7717.33	178.28	43.29

Source: Annual Report (2013-14 to 2017-18)

**INTERPRETATION:**

In the above table shows the debtors turnover ratio of the company during the study period 2013-2018. It is higher during the year 2017-18 with 43.29 which means efficient management of credit.

**9. FIXED ASSET TURNOVER RATIO:**

$$\text{FIXED ASSETS TURNOVER RATIO} = \frac{\text{NET SALES}}{\text{FIXED ASSETS}}$$

YEAR	NETSALES (Amount in crores)	FIXED ASSETS (Amount in crores)	RATIO (In times)
2013-14	5803.48	3395.91	1.71
2014-15	7007.17	3963.91	1.77
2015-16	7308.62	5072.56	1.44
2016-17	8027.20	6314.50	1.27
2017-18	7717.33	6645.24	1.16

Source: Annual Report (2013-14 to 2017-18)

**INTERPRETATION:**

The figure shows that the fixed assets turnover ratio of the company has reduced from 1.71 to 1.16 during the years. It shows that the company doesn't utilize the fixed asset as the ratio is going on slowly and hence effective step have to be taken for the effective utilization of fixed assets.

**10. GROSS PROFIT RATIO:**

$$\text{GROSS PROFIT RATIO} = \frac{\text{GROSS PROFIT}}{\text{NET SALES}}$$

YEAR	GROSS PROFIT (Amount in crores)	Sales (Amount in crores)	Ratio (In times)
2013-14	1619.50	5803.48	27.9
2014-15	1717.18	7007.17	25.0
2015-16	1736.60	7308.62	24.0
2016-17	2294.39	8027.20	29.0
2017-18	1461.45	7717.33	19.0

Source: Annual Report (2013-14 to 2017-18)

**INTERPRETATION:**

The above figure shows that the gross profit margin has the highest value 29% during 2016-17. But it has decreased as 19% in the year 2017-18. It indicates inefficient utilization of plant & machinery, higher cost of production during 2016. Hence necessary steps have to be taken to increase the gross profit margin.

**11.NET PROFIT RATIO:**

$$\text{NET PROFIT RATIO} = \frac{\text{NET PROFIT}}{\text{NET SALES}}$$

YEAR	NET PROFIT (Amount in crores)	SALES (Amount in crores)	Ratio (In times)
2013-14	1231.84	5803.48	21
2014-15	1438.59	7007.17	21
2015-16	1212.79	7308.62	17
2016-17	1606.73	8027.20	20
2017-18	1120.01	7717.33	15

Source: Annual Report (2013-14 to 2017-18)

**INTERPRETATION:**

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The net profit margin has highest value 21% during the years 2013-14 & 2017-18. It has been decreased as 15% in the year 2017-18. Hence in that year satisfactory return cannot be achieved.

**SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

<b>Particulars</b>	<b>2013</b>	<b>2014</b>	<b>Increase</b>	<b>Decrease</b>
<b>Current Assets</b>				
Inventories	10502537	9417200	-	1085337
Sundry debtor	2732108	4044315	1312207	-
Cash and bank balance	13652559	471838	-	13180721
Loans and advances	2600205	2490765	-	1094440
<b>Total Current Assets</b>	<b>27028409</b>	<b>16424118</b>		
Current Liabilities & Provisions	16882590	9360214	7522376	-
<b>Total Current Liabilities</b>	<b>16882590</b>	<b>9360214</b>		
Net Working Capital(C.A-C.L)	10145819	7063904		
Increase in working capital	-	3081915	5540915	-
	10145819	10145819	14375498	14375498

Source: Annual Report 2013-2014

**INTERPRETATION:**

In the year 2013-14 the working capital is decreased compare to the previous year.

**SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015**

<b>Particulars</b>	<b>2014</b>	<b>2015</b>	<b>Increase</b>	<b>Decrease</b>
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<b>Current Assets</b>				
Inventories	9417200	413918	2093.7	-
Sundry debtor	4044315	2805334	2907.54	-
Cash and bank balance	471838	321976	-	368.67
Loans and advances	2490765	3467646	3533.05	-
<b>Total Current Assets</b>	16478118	7008874	-	-
Current liabilities & provisions	9360214	5805743	-	3187.48
<b>Total Current Liabilities</b>	9360214	5805743	-	-
Net Working Capital (C.A-C.L)	7117904	1203131	8534.29	4170.7
Increase in working capital	-	5914773	-	4363.59
	7117904	7117904	8534.29	8534.29

Source: Annual Report 2014-2015

**INTERPRETATION:**

In the year 2014-15 the working capital is decreased compare to the previous year.

**SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016**

Particulars	2015	2016	Increase	Decrease
<b>Current Assets</b>				
Inventories	413918	243238	-	170680
Sundry Debtor	2805334	3718348	913014	-
Cash and Bank balance	321976	2407837	-	2085861
Loan and advances	3467646	4509985	1042339	-
<b>Total Current Assets</b>	7008874	10879408	-	-

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<b>Current Liabilities &amp; Provisions</b>	5805743	7342698	-	1536955
<b>Total Current Liabilities</b>	5805743	7342698	-	-
Net Working Capital (C.A-C.L)	1203131	3536710	1955353	3793496
Increase in working capital	2333579	-	1838143	-
	3536710	3536710	3793496	3793496

Source: Annual Report 2015-2016

**INTERPRETATION**

From the above table, the working capital was increased compare to 2014 and 2015.

**SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

<b>Particulars</b>	<b>2016</b>	<b>2017</b>	<b>Increases</b>	<b>Decreases</b>
<b>Current Assets</b>				
Inventories	243238	303268	60030	-
Sundry debtor	3718348	6238110	2520000	-
Cash & Bank Balance	2407837	1042052	-	1365785
Loan & Advances	4509985	5561355	1051370	-
<b>Total Current Assets</b>	10879408	25204860	-	-
<b>Current Liabilities</b>				
Current Liabilities & Provisions				
<b>Total Current Liabilities</b>	7342698	6243045	-	-
<b>Net Working Capital (C.A-C.L)</b>	7342698	6243045	-	-
Increase in working capital	73536710	6901740	4731053	1365785
	3365030	-	-	3365268

	6901740	6901740	4731053	4731053
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Source: Annual Report 2016-2017

### INTERPRETATION

In the year 2016-17 the working capital was increased compare to the year 2013-2014.

### SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

Particulars	2017	2018	Increase	Decrease
<b>Current Assets</b>				
Inventories	303268	1472646	1169378	-
Sundry debtors	6238110	985646	-	5252464
Cash and bank balance	1042052	230442	-	811610
Loan and advances	5561355	12164110	6602755	-
<b>Total Current Assets</b>				
<b>Current Liabilities</b>				
Current liabilities & Provisions	25204860	14852844	-	-
<b>Total Current Liabilities</b>				
Net working capital (C.A-C.L)	6243045	234066	1720721	-
Increase in working capital	6243045	2345066	-	-
	6901740	12507778	9492854	6064074
	5606038	-	-	3428780

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	<b>12507778</b>	<b>12507778</b>	<b>9492854</b>	<b>9492854</b>
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Source: Annual Report 2017-2018

**INTERPRETATION**

In the year 2017-2018 there is an increase in working capital.

**COMPARATIVE BALANCE SHEET FOR THE YEAR 2013-2014**

<b>Particulars</b>	<b>31.03.13 (in lakhs)</b>	<b>31.03.2014 (in lakhs)</b>	<b>AMT INC or DEC</b>	<b>%</b>
Fixed Assets	9220596	7960754	-1259842	-13.66
<b>CURRENT ASSETS</b>				
Inventories	10502537	9471200	-1031337	-9.82
Sundry debtor	2732108	4044315	1312207	48.03
Cash	1365259	471838	-893421	-65.44
Loan and advances	2600205	2490765	-109440	-4.21
<b>TOTAL CURRENT ASSETS</b>	17200109	16478118	-721991	-4.19
P&L	11131098	15906355	4775257	42.90
<b>TOTAL ASSETS</b>	37551803	40445227	2793424	7.44
<b>LIABILITIES</b>				
Share capital	4438000	4438000	-	-
Secured Loan	12231213	11547013	-648200	-5.59
Unsecured Loan	4000000	-	-4000000	-100
<b>SHORT TERM LIABILITIES</b>				
Current assets and provision	16882590	24360214	7477624	44.29
<b>Total liabilities</b>	37551803	40345227	2793424	7.44

**INTERPRETATION**

- The cash and bank balance have decreased by 65% and sundry debtors have increased by 48.03%. On the other hand, there has been an increase in inventories. The current liabilities have increased by 44.29%. This further confirms that the company has no improvement in the liquidity position.
- There is a decreased in fixed assets by 13.66%. there is also a decrease in long term loans by 5.59% & 100%. This clearly indicates that there is no funding for the fixed assets from the long-term loans, also there is an increase in the fixed assets.

**COMPARATIVE BALANCE SHEET FOR THE YEAR 2014-2015**

<b>Particulars</b>	<b>31.03.14 (in lakhs)</b>	<b>31.03.15 (in lakhs)</b>	<b>AMT In or Dec</b>	<b>%</b>
Fixed assets	7960754	8677969	717215	9.0
<b>CURRENT ASSETS</b>				
Inventories	9471200	413918	-9057282	-95.63

Sundry debtor	4044315	2805334	-1238981	-13.63
Cash	471838	321976	-149862	-31.76
Loan and advances	2490765	3467646	976881	39.22
<b>TOTAL CURRENT ASSETS</b>	16478118	7008874	-9469244	-57.46
P&l	15906355	15446082	-460273	-2.89
<b>TOTAL ASSETS</b>	40445227	31132925	-9212302	-22.83
<b>LIABILITIES</b>				
Share Capital	4438000	443800	-	-
Secured loan	11547013	5889182	-5657831	-48.99
Unsecured loan	-	-		
<b>SHORT TERM LIABILITIES</b>				
Current Assets and Provisions	24360214	20805743	-3554471	-14.59
<b>TOTAL LIABILITIES</b>	40345227	31132925	-9212302	-22.83

### INTERPRETATION

- The cash and bank balance have decreased by 31% and sundry debtors have increased by 30.63%. On the other hand, there has been an increase in inventories. The current liabilities have decreased by 14.59%. This further confirms that the company has no improvement in the liquidity position.
- There is an increase in fixed assets by 9.01%. There is also a decrease in long term loans by 14.59%. This clearly indicates that there is no funding for the fixed assets from the long-term loans, also there is an increase in the fixed assets.

### COMPARATIVE BALANCE SHEET FOR THE YEAR 2015-2016

Particulars	31.03.15 (in lakhs)	31.03.16 (in lakhs)	AMT Inc or Dec	%
Fixed assets	8677969	109343388	2256419	26.00
<b>CURRENT ASSETS</b>				
Inventories	413918	243238	-170680	-41.23
Sundry debtors	2805334	3718348	913014	32.54
Cash	321976	2407837	2085861	64.78
Loan and advances	3467646	4509985	1042339	30.05
<b>TOTAL CURRENT ASSETS</b>	7008874	10879408	3870534	55.22
P&L	15446082	8290722	-7155360	-46.32
<b>TOTAL ASSETS</b>	31132925	30104518	-1028407	-3.30
<b>LIABILITIES</b>				
Share capital	4438000	4438000		
Secured loan	5889182	2748820	-3140362	-52.32
Unsecured loan	-	-		
<b>SHORT TERM LIABILITIES</b>				
Current Assets and provision	20805743	22917698	2111955	10.15
<b>TOTAL LIABILITIES</b>	31132925	30104518	-1028407	-3.30

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**INTERPRETATION**

- The cash and bank balance have decreased by 64.7% and sundry debtors have increased by 32.54%. On the other hand, there has been an increase in inventories. The current liabilities have decreased by 10.15%. This further confirms that the company has no improvement in the liquidity position.
- There is a increase in fixed assets by 26.001%. There is also a decrease in long term loans by 10.15%. This clearly indicates that there is no funding for the fixed assets from the long-term loans, also there is an increase in the fixed assets.

**COMPARATIVE BALANCE SHEET FOR THE YEAR 2016-2017**

Particulars	31.03.16 (in lakhs)	31.03.17 (in lakhs)	AMT Inc or Dec	%
Fixes assets	10934388	32081435	21147047	19.33
<b>CURRENT ASSETS</b>				
Inventories	243238	303268	60030	24.67
Sundry debtor	3718348	623811	-3094537	-83.22
Cash	2407837	1042052	-1365785	-56.72
Loan and advances	4509985	5561355	1051370	23.31
<b>TOTAL CURRENT ASSETS</b>	30104518	3611921	9507403	31.58
P&L	8290722	-	-8290722	-100
<b>TOTAL ASSETS</b>	30104518	3611921	9507403	31.58
<b>LIABILITIES</b>				
Share capital	4438000	4438000		
Secured loan	2748820	17131532	14382712	52.32
Unsecured loan	-			
<b>SHORT TERM LIABILITIES</b>				
Current assets and provision	22917698	17313045	-5604653	-24.45
<b>TOTAL LIABILITIES</b>	30104518	39611921	9507403	31.58

**INTERPRETATION**

- The cash and bank balance have decreased by 63% and sundry debtors have increased by 48.03%. On the other hand, there has been an increase in inventories. The current liabilities have increased by 44.29% this further confirms that the company as no improvement in the liquidity position. There is a decrease in fixed assets by 13.66%. There is also a decrease in long term loans by 5.59% & 100%. This clearly indicates that there is no funding for the fixed assets from the long-term loans, also there is increase in the fixed assets.

**COMPARATIVE BALANCE SHEET FOR THE YEAR 2017-2018**

Particulars	31.03.17 (in lakhs)	31.03.18 (in lakhs)	AMT Inc or Dec	%
Fixed asset	32081435	38278859	6197424	19.3

<b>CURRENT ASSETS</b>				
Inventories	303268	304990	1722	0.56
Sundry debtor	623811	1010050	386239	61.91
Cash	1042052	1187585	145533	13.96
Loan and advances	5561355	3660157	-1901198	-34.18
<b>TOTAL CURRENT ASSETS</b>	<b>7530486</b>	<b>44441641</b>	<b>36911155</b>	
P&L	-	729344	729344	-100
<b>TOTAL ASSETS</b>	<b>3611921</b>	<b>45170985</b>	<b>41559064</b>	
<b>LIABILITIES</b>				
Share Capital	4438000	4438000		
Secured loan	17131532	13642610	-3488922	18.6
Unsecured loan	-	3595667	3595667	-100
<b>SHORT TERM LIABILITIES</b>				
Current assets and provisions	17313045	6608039	-10705006	-61.83
<b>TOTAL LIABILITIES</b>	<b>39611921</b>	<b>28284316</b>	<b>-11327606</b>	<b>28.59</b>

### INTERPRETATION

- The cash and bank balance have decreased by 65% and sundry debtors have increased by 48.03%. On the other hand, there has been an increase in inventories. The current liabilities have increased by 44.29% this further confirms that the company has no improvement in the liquidity position.
- There is a decrease in fixed assets by 13.66%. There is also a decrease in long term loans by 5.59% & 100%. This clearly indicates that there is no funding for the fixed assets from the long-term loans, also there is increase in the fixed assets.

### FINDINGS

- ❖ Statements of changes in working capital shows decrease in trend during the study when compared with the previous year.
- ❖ Comparative Statements reveal that the overall profitability of the company is Satisfactory.
- ❖ Comparative balance sheets of the concern indicate that the performance of the company was quite satisfactory. During the study period Short-term and long-term financial position was not satisfactory.
- ❖ The working capital Ratio is been slowly decreased in the year 2014-2015.
- ❖ The inventory turnover ratio of the firm is satisfactory due to the efficient management of stocks.
- ❖ Debtor's turnover ratio decreased in the year 2013 and it had been slowly increasing satisfactory in the year 2013 to 2015, except in the year 2014.
- ❖ The gross profit ratio is satisfactory in all the years and ratio has been slowly increasing in all the year except in the year 2014.
- ❖ The net profit ratio is satisfactory for the year 2013-2015 and it has been slowly decreasing form the period 2013-14.
- ❖ The current ratio has been maintained as satisfactory level in almost all the years and ratio has been slowly increasing the year 2015.

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- ❖ The quick ratio (or) liquid ratio is satisfactory in all the years and ratio has been slowly increasing expect in the year 2014.
- ❖ The proprietary ratio is good in the all the years. This has been slowly increasing expect in the year 2015.
- ❖ The cash to sales ratio has been maintained at satisfactory level in almost all the years this has been increasing in the year 2013 and then the all the years will be slowly decreasing in the years.

**SUGGESTIONS**

The company can utilize the shareholders fund in proper way. The company facing loss for the year to high cost of production, and high amount spent on sugarcane. If there is any profitable alternative the company can adopt the new technology. Capital structure efforts must be taken place to provide an adequate amount of working capital. Working capital management is not proper in the unit. Therefore, it is advisable for the management to consider the working capital policy, in order to ensure the proper utilization of working capital.

**CONCLUSION**

In this article, the objective is realistic with its measures in Working capital management of current assets and liabilities with its sound financial position. Comparative statement is showing to the total working capital improvement for year by year. This will help the organization to implementing all the latest technology and techniques in all areas and control measures. Its, efficiency in the overall profitability of the company is good.

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