

Financial Management Practices Enhance The Performance of Thico Silks in Thirubuvanam at Thanjavur District of Tamilnadu - An Analytical Study

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ABSTRACT - The reason of this examination is to understand the significance of Performance management system and how financial management practices enhance the growth of silk industries. The major objective of the financial management team is supply all the raw - materials to the members of the silk industry and gather the finished product. Co-operatives form the base of the financial management team with respect to silk industries. Co-operatives have advanced altogether in the course of the last two hundred years and are of expanding significance to economies and societies all through the world independent of dimension of financial improvement. Thus, the paper stresses on the importance of funding to flourish the exports and imports of silk products thereby boosting the country's growth.

KEYWORDS: Performance management, Co-operative societies, Silk, Handloom, Financial Management

I. INTRODUCTION

THICO SILKS THIRUBUVANAM, TAMIL NADU

Tamil Nadu with its host of rising above havens and an assortment of chronicled places is moreover a conspicuous objective for silk-saris. In this context the saris conveyed and sold by Thico Silks - The Thirubuvanam Silk Handloom Weavers Cooperative Production and Sale Society Limited, Thirubuvanam require uncommon notice. The Thirubuvanam Silk Handloom Weavers Co-operative Production and Sale Society Ltd., No Z 322, is the greatest Co-operative Society in Tamil Nadu, making conventional Silk Sarees with clarify plans using unadulterated zari.

The Society is arranged in the Silk Weavers gathering of Thirubuvanam around 9 km far from Kumbakonam, Thanjavur District. Thirubuvanam is an old-fashioned haven town celebrated for Silk Weaving from the season of Great leaders of Chola. Thirubuvanam Silk Weavers Cooperative Production and Sales Society Ltd., No.T.R (H) 322 generally called Thico silks was enrolled as a silk weavers' cooperative society on twelfth November 1955 under the Tamil Nadu Cooperative Societies Act with its enlisted office at Thirubuvanam in the Thanjavur area. It commenced its business from 24th November 1955. The general public was set up to overcome the authority of private fabricates in silk industry, to create the quality and trustworthy silk textures and to offer work to the weavers at reasonable wage rate in and around Thirubuvanam. This is one of the greatest silk weaver's cooperative societies in Tamil Nadu. It has 15 showrooms inside the domain of

Tamil Nadu and 2 showrooms outside the state. It has 15 operators for moving inside the area of Tamil Nadu.

The affirmed offer capital of the general public is Rs.3.00 crores and the paid up offer capital as on third March, 2001 was Rs.1.33 crores. This whole was contributed by the people from the general public and there is no organization's contribution in offer capital. The amount of people in 2001 was 1840. In the midst of the year 2001, there were 1822 weaving machines which 1768 were dynamic weavers. The general public produces silk sarees and dhoties. The weavers of this cooperative society are specialists in making lovely and colorful plans. It is to be seen that the weavers of this general public have tied down the 'President grant' for greatness in handloom plan for the years 1994 and 1995. This conveys progressively credit to this general public and this general public has an enduring name in India in gathering silk sarees with appealing structures of high caliber.

A segment of the structures of saree are well known for up to 25 years 'Vanasingaram' is one such plans in which animals in the woodlands are arranged. It is a pride to the general public that one of the saree structured by this general public is in London display lobby. Creation of silk things in the midst of the year 1955-56, in which the general public commenced its business, was Rs.6,200 only and in 2000 01 it has colossally rose to Rs.2029.06 lakhs. The general public has declared 14 percent profit and Rs.54.75 lakhs as remuneration to its people in the midst of the year 2000-01, to its people in the midst of the year 2000-01.

The business profile of the general public has recorded by and large development consistently. The year 1960-61 exhibits offers of Rs.2.27 lakhs. The general public has become a national mammoth by enrolling an astounding notoriety in arrangements by accomplishing an offer of Rs.2825.55 lakhs in the year 2000-01. Thirubuvanam Silk Weavers Co-operative Society, broadly known as Thico silks, has been granted ISO 9001:2008 announcement by BSI, Chennai, according to S.V. Kandasamy, Deputy Director and Special Officer of the general public.

The above societies purchase yarn from Karnataka and zari from Surat for their age. The people have interesting fitness in organizing awesome haven shapes in the saree plans. The silk saree "Vana Singhavam" with an arrangement of animals and winged animals in a wild was given the presidential respect. The societies have various branches in outstandingly basic towns of Tamil Nadu.

In an open proclamation issued here on Saturday, Mr. Kandasamy said that starting at now the general public has the ISO 9001:2000 validation. In the midst of review by BSI, Chennai, the general public was asked for to update itself to get the ISO 9001:2008 underwriting according to new bearings.

Accordingly steps were taken to improve the standards and all parameters met, and BSI, after an assessment had given the new validation. The general public had been cooperating to the tune of Rs. 34 crores on a typical consistently. It was selected on November 12, 1955 and started working from November 24, 1955. Particular up gradation had been done according to necessities every once in a while, he said.

Financial management in essential term implies organization of money related capacities. Frankly, it is the utilization of have assets for meeting business threats and vulnerabilities, meeting the mileage of assets, financing future development and enhancement, paying profits to speculators/monetary duties to agents and diverse purposes. Basically some kind of surplus is totally guided by the standards of cooperation, the co-operative societies Act and Rules and arrangements of the by-laws of a co-operative. The net benefit of the co-operative society is commonly disposed of in the accompanying way:

- (a) Retaining certain dimension of profit in the Reserve Fund and diverse accounts, for instance, awful debt save devaluation fund, building fund, staff benefit fund, training and speculation save.
- (b) To pay profits to the financial specialists as an entry upon their endeavor.
- (c) Make conveyances to the agents in benefit sharing structures, expecting any. Since surpluses from inside delivered and lead the co-operative endeavor toward freedom in the field of fund as time goes on/surplus

masterminding is basic for the future enhancement of business and in connection to the finding of cost without crippling the favorable circumstances to the offer individuals.

II. FINANCIAL PLANNING

This incorporates the evaluating and orchestrating of future stream of money receipt and administering raising of fund incorporate dealing with the raising of fund which incorporate the sponsoring crucial for organizing. The second is the acquisition of the fund. There are a various sorts of the fund and has certain trademark as cost development and accessibility. The encumbrance of asset and diverse terms are uncovered by the capital.

On the bases of this limit, the financial managers of a bank must choose the best mix of back for the dealing with an account industry. Henceforth, the financial managers need to take the issue of specifying of strategies. In light of a real concern for such system is to plane, co-ordinate, push and control exercises of the firm, which are trustworthy of the powerful monetary organization of the assets. A successful monetary organization consequently is the proportional as a critical manual for the strategy of essential leadership and a vital adding to the pale and an imperative contribution to the pale of financial. The fundamental obligation of budgetary managers incorporates a theory assessment of hypothesis money related and profit decision with the sole purpose of increasing wealth. The financial managers look at the analytical strategies and nature where financial choices are made.

The financial administrator keeps exact record and records of, setting up the cost, giving the best approach to portion of bills, getting additional cash whenever required. Putting fund in asset and getting the wagers strategies for financing in connection to the general enhancement of the association. The task of the monetary director is intangibly looked with issue with those of productivity, liquidity and peril factor, which affect both internal and external condition.

Financial choices based on examination, masterminding and control of activity along these lines can help enhanced the estimations of operational streamlining of the profits and investors in one of those coordinating.

The financial chief must think about wellsprings of finding the business and be guided by time, decision and blend of those accessible. That is the budgetary manager trouble and the standard of manageability. The financial managers' quandary is that of productivity and liquidity while practicality is the standard of time offsetting with asset and commitment that is using brief time term hazard to budgetary at this very moment asset and whole deal risk to back the whole deal asset.

III. FINANCIAL ORGANISATION

Sorting out the back capacity is an indispensable bit of the general orchestrating technique of an endeavor. It is concerned about arranging the association structure following the chain of significance of limits, jobs and positions. It is conceivable by the social occasion of each and every money related movement into an office or division and delegating adequate expert to individuals who have been given out monetary obligations. The degree of the structure is essentially affected by a couple of components like the possibility of business, the proportion of the endeavor and the disposition of the best organization. The financial association of co-operative societies, exceptionally at lower essential measurements, isn't logical in light of the way that they don't have a conspicuous and unbending various leveled structure.

Nonetheless, the wide organization structure of a pleasing endeavor is given by (i) The General Body; (ii) The Board of Directors; (iii) The Chairman; (iv) The Managing Director or The General Manager or The Executive Officer. These organization bodies affect the finance capacities according to the power and limits depended to them by the arrangements of the by-laws of the co-operative. Various tremendous co-operative s have made finance divisions with the fund boss as the pioneer of the office, who acknowledges utilization and control authority over the finance offices designated by the Board of Directors. The finance director is helped by subordinate officers who are accountable for routine fund limits.

OBJECTIVES OF THE STUDY

The general target of the present investigation is to show the current field of financial management in the Co-operative silk societies, at micro-level in Thirubuvanam in Thanjavur District, where a concentration of countless operative societies exist and to dissect the finance capacities to draw out their operational proficiency and to recommend an appropriate financial management framework for the silk co-operative sector. To achieve this general goal, the investigation goes for the accompanying explicit targets:

- a) To understand cost structure of the silk yarn from the accessible writing on yarn production.
- b) To ponder and examine the financial management of the silk co-operatives in Thirubuvanam.
- c) To identify the various factors responsible for enhancing the co-operative silk societies in Thirubuvanam.
- d) To enroll the discoveries and conclusions and offer appropriate proposals to advance a sound financial management framework for the silk Co-operatives.

IV. REVIEW OF LITERATURE

Bhaimali Anil (2003) learned about provincial co-agents and their impact on the rural economy. Creator illuminated that the Indian farmers required credit for agrarian reason which was accessible from the private cash advance masters, anyway the credit given by them was at an amazingly extreme rate of premium. Regularly it was past the compass of agriculturists. Additionally, whatever Government advance was accessible that was accessible exactly at an especially constrained degree. With the ultimate objective to deal with the credit demand of the agriculturists at a fragile rate of interest, Indian Government passed the accommodating social requests act to conquer the issue. In various countries co-assignment has been used as an establishment and instrument of financial improvement. The creator showed three contextual examinations to illuminate the exercises of co-agents social requests in the country India and their following impact on the economy. First contextual investigation cleared up the impact of a limited obligation society, second case depicted the impact of a vast hazard society and the third presented the impact of farming exhibiting society on provincial regions of West Bengal. Creator likewise communicated that co-agents have accepted a critical job as instrument of monetary development, just as influencing the all-inclusive community towards social and financial changes by strategy for grasping advancement and advancement. Co-agents, honestly, help one by commitment tremendous potential outcomes for the general population to take an intrigue participated in the financial exercises.

Nainesh Pandya (2003) discovered that there is great help to handloom fragment from financial foundations. According to this investigation, NABARD has supported improvement of handloom area by giving distinctive offices for instance; renegotiate to banks, back for creation/procurement and displaying necessities of basic weaver's co-agent society [PWCS] and Apex/Regional weaver's co-agent society. Diverse investigations on handloom fragment drew out that 70% of weavers continue being outside the co-agent wrinkle. To spread points of interest to this part, there is an excellent arrangement in NABARD called SUDHA [Skill Upgradation and Design Development for Handloom weavers]. The examination uncovers SUDHA endowments up to Rs.5 lakhs to NGO's for mastery up gradation of weavers, structure improvement, promote review, quality control programs, enrolling of authorities, and so on to encourage weavers.

Joy Clancy (2003), while, considering the advancement procedure in little and medium scale enterprises in making countries, taking the briquetting (densification of biomass) as a contextual examination, finds that the specific viability was found to vary through and through between firms, which can be credited to the nonappearance of mechanical limits inside firms and shortcomings in the external

condition. Management aptitudes were seen to be weak, which has been recognized as the fundamental consideration limiting development inside briquetting firms. Business individuals would when all is said in done concentrate on specific arrangements, however various progressive arrangements could have been executed at lower cost. Out and out for a firm to fill in as an association it needs to viably coordinate the distinctive parts of its creative limits; particular capacities has made reference to that handlooms are by and vast involved with conveying arranged material to be sold to adjacent shops, while control looms make dim texture which required further handling before it might be sold. A greater piece of handloom weavers who work control driven 'Handlooms' [they are not power looms, they are improved handlooms] were seen to be financially more joyful. They were found in broad numbers in Tamil Nadu, Andhra Pradesh and Maharashtra, among various states and this examination felt this isn't changing over handlooms into power waits yet making handloom things with power-driven weaving machines (handlooms) which use hanks., data and management/definitive aptitudes.

V. RESEARCH METHODOLOGY

Details regarding the research design, data collection questionnaire, sampling plan, area of the study and statistical tools used are mentioned in this chapter.

Research Design

Research design is purely and simply the framework or plan for a study that guides the collection and analysis of the data. The research design indicates the methods of research i.e. the method of gathering information and the method of sampling study is descriptive in nature.

Sampling Design

Sampling design comprises four major areas: Population, Frame, Sampling method and Sample size estimation.

STATISTICAL TOOL USED FOR ANALYSIS:

- ANOVA
- Chi-Square
- Correlation

VI. DATA ANALYSIS

The present chapter helps to analyze and interpret the data. The data gathered from the respondents belonging to Thico Silks is evaluated and interpreted to arrive at a conclusion for the research.

ONE WAY ANOVA (INCOME)

H₀₁: There is no significant difference between income groups with regards to the Effective cash flow, Inventory management, Technological Implementation, Financial Management Practices, Firm Profitability.

TABLE - 1

Variance		Sum of Squares	df	Mean Square	F	Sig.
Effective cash flow	Between Groups	45.613	3	15.204	1.165	0.032
	Within Groups	3483.626	267	13.047		
	Total	3529.240	270			
Inventory Management	Between Groups	36.247	3	12.082	.617	0.605
	Within Groups	5228.440	267	19.582		
	Total	5264.686	270			
Technological Implementation	Between Groups	10.280	3	3.427	.210	0.889
	Within Groups	4348.628	267	16.287		
	Total	4358.908	270			
Financial Management Practices	Between Groups	6.181	3	2.060	.087	0.967
	Within Groups	6293.996	267	23.573		
	Total	6300.177	270			
Firm Profitability	Between Groups	52.039	3	17.346	.949	0.041
	Within Groups	4882.670	267	18.287		
	Total	4934.708	270			

* Significant at the 5% level

Analysis:

It can be seen from above Table - 1 that null hypotheses are accepted as the p values are greater than 0.05 for the Inventory management, Technological Implementation and Financial Management Practices. For all other dimensions null hypothesis is rejected.

Discussion:

There is no significant difference between income groups with regards to the Inventory management, Technological Implementation and Financial Management Practices.

There is significant difference between income groups with regards to the Effective cash flow and Firm Profitability.

ONE WAY ANOVA (AGE)

H₀₂: There is no significant difference between age groups with regards to the Effective cash flow, Inventory management, Technological Implementation, Financial Management Practices and Firm Profitability.

TABLE - 2

Variance		Sum of Squares	df	Mean Square	F	Sig.
Effective cash flow	Between Groups	57.892	3	19.297	1.484	0.219
	Within Groups	3471.348	267	13.001		
	Total	3529.240	270			
Inventory Management	Between Groups	36.604	3	12.201	.623	0.601
	Within Groups	5228.082	267	19.581		
	Total	5264.686	270			
Technological Implementation	Between Groups	22.211	3	27.404	.456	0.013
	Within Groups	4336.697	267	16.242		
	Total	4358.908	270			
Financial Management Practices	Between Groups	11.905	3	33.968	.168	0.018
	Within Groups	6288.272	267	23.552		
	Total	6300.177	270			
Firm Profitability	Between Groups	42.694	3	14.231	.777	0.508
	Within Groups	4892.014	267	18.322		
	Total	4934.708	270			

* Significant at the 5% level

Analysis:

It can be seen from above Table - 2 that null hypotheses are accepted as the p values are greater than 0.05 for the Effective cash flow, Inventory management and Firm Profitability. For all other dimensions null hypothesis is rejected.

Discussion:

There is no significant difference between age groups with regards to the Effective cash flow, Inventory management and Firm Profitability.

There is significant difference between age groups with regards to Technological Implementation and Financial Management Practices.

CHI-SQUARE Association between Education and Monthly income

	Value	df	Asymp. Sig. (2-sided)	Statistical Inference
Pearson Chi-Square	482.242 ^a	9	.000	$\chi^2 = 482.242^a$ Df = 12 P = .000 < 0.05
Likelihood Ratio	463.521	9	.000	
Linear-by-Linear Association	58.183	1	.000	

N of Valid Cases	271			*Significant at 5% level
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*Significant at 5% level

Analysis:

It can be seen from above Table the P value is lesser than our chosen Significance at = 0.05 levels, the null hypothesis is rejected.

Discussion

It is therefore concluded that there is an association between Education and Monthly income.

CORRELATION

TABLE – 3 Correlation Test between Effective cash flow and the Firm Profitability

H₀₃: There is no correlation between Effective cash flow and the Firm Profitability

		Effective cash flow	Firm Profitability
Effective cash flow	Pearson Correlation	1	.434**
	Sig. (2-tailed)		.000
	N	271	271
Firm Profitability	Pearson Correlation	.434**	1
	Sig. (2-tailed)	.000	
	N	271	271

*Significant at 5% level

Analysis:

The Table - 3 shows the Result of Pearson’s correlation test between the Effective Cash Flow and the Firm Profitability, it is found that there is a significant correlation between the variables. Also, it is evident that there is a high positive correlation (r=.602p<0.01 sig) between variables.

Discussion:

It is concluded that there is an association between the variables Effective cash flow and Firm Profitability.

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VII. CONCLUSION

Thus it was understood that it is very important to carry out financial management practices for the enhancement of the growth of silk industries. The paper stressed on the importance of supplying raw- materials to the members of the silk industry to gather finished products. Co-operatives have advanced altogether in the course of the last two hundred years and are of expanding significance to economies and societies all through the world independent of dimension of financial improvement. Thus, the paper conveys that co operative society which is a major part of the financial management system helps boost the performance of THICO SILKS in Thirubuvanam at Thanjavur district of Tamil Nadu.