

CHAPTER 3

*Financial Performance of Nandani Fruits
& Vegetables Growers Co-operative
Union Ltd. Nandani*

Chapter- III

Financial Performance of Nandani Fruits and Vegetables Growers Co-operative Union. Ltd Nandani

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Chapter- III

Financial Performance of Nandani Fruits and Vegetables Growers Co-operative Union. Ltd Nandani

3.1 Introduction:

Financial performance and profitability of NFVGCU totally depends upon collection of Fruits and vegetables, selling of fruits and vegetables and profit and loss of NFVGCU. Profit and loss performance always tries to increase the efficiency of Nandani Union. In this chapter we will discuss all these one by one under the following titles.

3.2 Performance of NFVGCU

Performance of NFVGCU shows that the collection & sales of the fruits and vegetables of union during the period of 2003-04 to 2007-08 was satisfactory. Means from 2003-04 to 2007-08 the trend of collection and sale of fruits and vegetables was showed fluctuation in the study period.

In the year 2003-04 collection of fruits and vegetables was 9160.4 Tone. Next year 2004-05 it was decreased up to 8106.9 Tone, again in the year 2006-07 it was decreased up to 3755.0 tones continuously. Because in this year total production of fruits and vegetables was decreased due to the problem of heavy rain and flood situation of this region. But in the year 2007-08 it was increased up to 7229.0 tones. In this way performance of NFVGCU in collection of fruits and vegetables was unstable.

Besides the performance in fruits and vegetables sales of NFVGCU shows the same situations in the period of 2003-04 to 2007-08.

3.2.1 Performance of Collection of fruits and vegetables

Collection of fruits and vegetables is one of the criteria to test the performance of the union. Production of fruits and vegetables is most important factor influencing the collection of fruits and vegetables performance

In this chapter we are going to discuss year wise collection of fruits and vegetables of union, total collection and compound growth rate of collection for last five years.

The collection of fruits and vegetables of union over the period under study is shown in table no. 3.1.

Table no. 3.1 shows the collection of fruits and vegetables performance of NFVGCU. In the year 2003-04 total collection of fruits and vegetables was 9160.4 Tons, it was decreased in the year 2004-05 up to 8106.9 tons. In this year collection of fruits and vegetables was decreased by 1053.5 tons. In the year 2005-06 collection was decreased up to 5532.5 tons, further it was again decreased in the year 2006-07 up to 3755.0 tons. Then in the year 2007-08 it was increased up to 7229.0 tons. Among total these collection of fruits and vegetables of five years maximum collection was in the year 2003-04 and minimum was in the year 2006-07.

Compound growth rate of cauliflower collection was 25.67 % in the year 2003-04 to 2007-08. Means collection of cauliflower shows the increasing and positive trend in the study period. CGR of collection of tomato was -12.05 which was not good. Further CGR of Brinjal was -6.54 % which indicates the negative trend in the study period. CGR of onion was 216.31 % which was better; also CGR of Banana was 2.06 %, Papaya 1.21 % which shows the increasing trends in the study period. Lastly CGR of collection of total fruits and vegetables was -11.69 %, it shows the decreasing trends in the total collection of fruits and vegetables of union in the year 2003-04 to 2007-08.

Table no. 3.1 Fruits and Vegetables Collection of Nandani Union.
(From 2003-04 to 2007-08)

SR.NO.	Year	Cauliflower	Tomato	Brinjal	cucumber	cabbage	White		onion	chili	lady finger	maize	banana	papaya	Total
							pumpkin								
1	2003-04	1013.9	1105	219.25	748.26	48.51	12.1	1.25	5.07	6.68	0.04	0.02	0.08	9160.4	
2	2004-05	6012.8	1214	319.52	478.26	51.58	14.53	1.41	8.02	5.68	-	0.171	0.576	8106.9	
3	2005-06	358.62	1576	35.25	150.15	120.1	10.00	5.00	-	-	-	-	-	5532.5	
4	2006-07	2363	1050	30.01	160	100	8.00	4.00	-	-	-	-	-	3755	
5	2007-08	5069.9	625.1	510.12	778.6	4.41	0.28	235.14	0.12	2.12	-	1.25	0.9	7229	
Compound Growth															
	Rate	25.67	-12.05	-6.54	-9.65	-33.85	-55.64	216.312	-1.87	-0.57	-	2.067	1.21	-11.69	

Source: Annual Reports of Nandani Union (from 2003-04 to 2007-08)

3.2.2 Sales Performance:

The sales performance plays very important role in profit. Good selling ability of union not only creates markets for existing product but also tries to get higher rate for a product, new market for its products. Good marketing is also helps the union in diversification of products to get higher value addition for its products to earn maximum profit. Sales performance of Nandani Union depends upon the quality of fruits and vegetables, cost of grading, processing, pooling, packing and selling ability of union.

The sales of union under study period is shown in table no. 3.2

**Table no. 3.2 Sales Performance of NFVGCU
(From 2003-04 to 2007-08)**

Sr. No.	Year	Total Sale (Tone)	Total Sale (Rs.)
1	2003-04	9160.4	349.756
2	2004-05	8106.9	363.026
3	2005-06	5532.5	1283.76
4	2006-07	3755.0	259.90
5	2007-08	7229.0	286.48
CGR		-11.69	-7.07

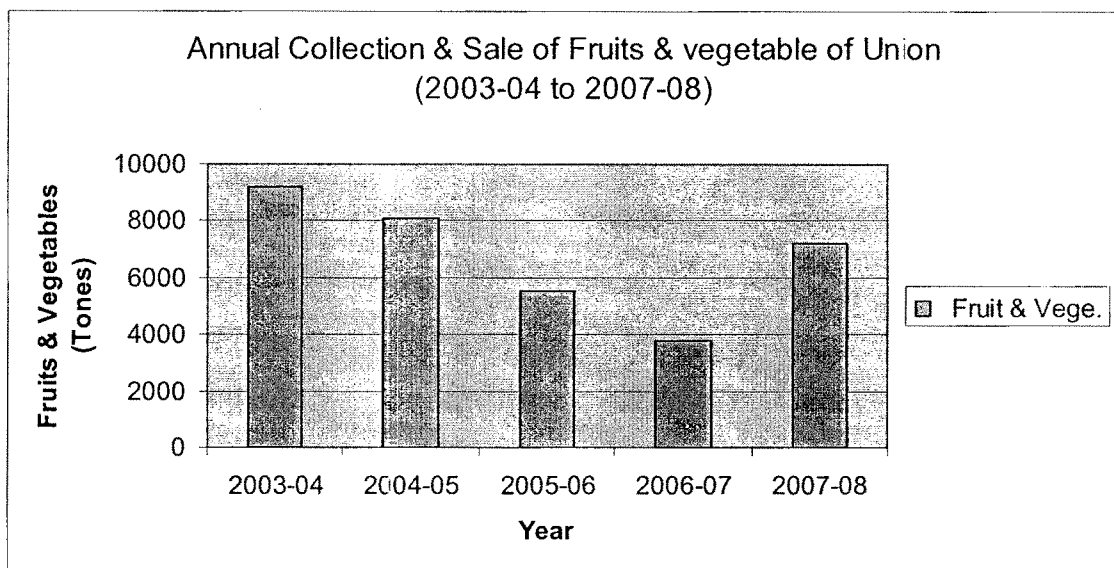
Source: Annual Reports of Nandani Union (from 2003-04 to 2007-08)

Table no. 3.2 shows the sales performance of NFVGCU during the period of 2003-04 to 2007-08. Table shows that the total sales of fruits and vegetables and sales price of fruits and vegetables of union. In this sale scenario in the year 2003-04 the sales of union was 9160.0 tones and total price of sale was Rs.349.756 lakhs. In the year 2004-05 the total sale of union was 8106.9 tones and price of sale was Rs, 363.056 lakh. In this year total sale was decreased but price of sale was increased to Rs. 13.27 lakhs. In the year 2005-06 total sale

was 5532.5 tones and price of sale was Rs. 1283.76 lakhs. In the year 2006-07 total sale was decreased up to 3755.0 tones and price of sale was Rs, 259.90 lakh. After this year in 2007-08 total sale of union was again increased up to 7229.0 tones and price of sale was increased up to Rs. 286.48 lakh. Among these five years maximum sale of fruits and vegetables was in the year 2003-04 and minimum was in the year 2006-07.

Compound growth rate of sale performance of union shows the over all period change in selling performance of union. CGR of total sale of union was (-11.69%) which was not good, because it shows the negative trend in the sale performance of union in the study period. CGR of price of sale was (-7.07%), which was a show also negative trend.

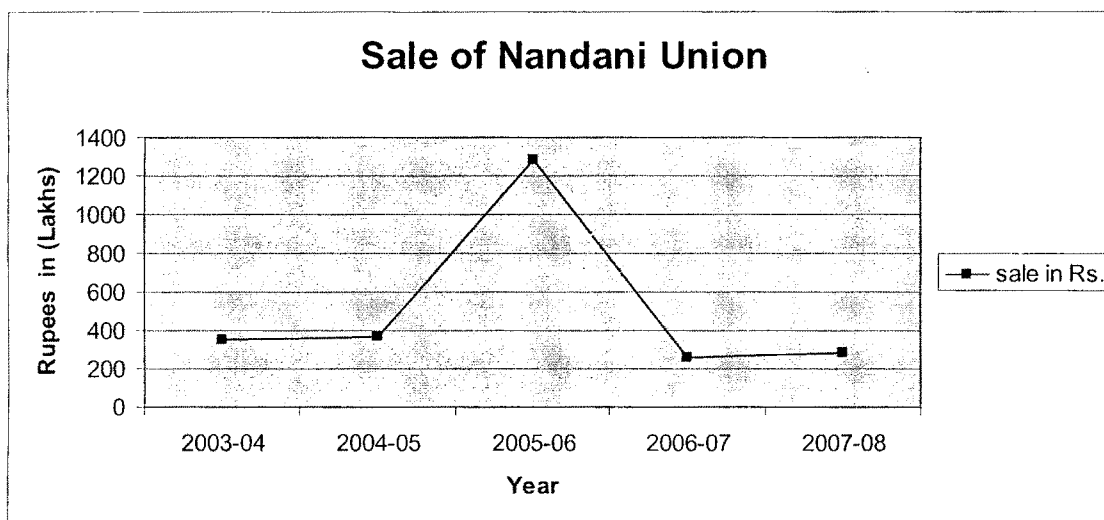
Graph No. 3.1



Graph no.3.1 shows bar diagram of annual collection & sale of fruits and vegetables from Nandani Union from 2003-04 to 2007-08. The 'OX' axis indicates Year and 'OY' indicates collection & sale of fruits and vegetables. In the year 2003-04 total collection and sale of fruits and vegetables of union was 9160.4 tones. In the year 2004-05 it was decreased up to 8105.9 tones, in the year 2006-07 it was decreased up to 3755.0 tones. After this year it was increased up to 7229.0 tones. In this way bar diagram shows that 2003-04 to

2006-07 collection & sale of fruits and vegetables was decreasing trend, after 2006-07 it was again shows increasing trend. Thus we can say that collection and sale of fruits and vegetables of union indicates the fluctuations over study period.

Graph No. 3.2



Above trend line graph shows the trend line of price of sale of fruits and vegetables during the 2003-04 to 2007-08. In the year 2003-04 price of sale was Rs.349.756 Lakhs. In the year 2004-05 price of sale was Rs.363.026 lakhs. In the year 2005-06 price of was increased up to Rs. 1283.76 lakhs. In this year trend line shows the upward slope, but after this year price of sale was decreased up to 259.9 lakhs in the year 2006-07, in the year 2007-08 it was little increased up to Rs. 286.48 lakhs.

In this way above trend line shows the big up and downs in the price of sale of union.

3.3 Financial Performance of NFVGCU

This chapter is concerned with performance of collection of fruits and vegetables, selling of fruits and vegetables and financial position of NFVGCU. We have already studied the two sections i.e. collection of fruits and vegetables and selling performance of fruits and vegetables. Now this section we will consider the financial performance of NFVGCU. This section is very important because it gives financial position of Nandani Union. For this analysis we have taken period of 2003-04 to 2007-08. This study focuses on the Capital and Credits Accounts, assets and Debits Accounts and Profit and Loss Account. This section is completely depending upon annual reports of NFVGCU from 2003-04 to 2007-08. The financial performance has shown in table no. 3.3

Table no. 3.3 Financial Performance of NFVGCU LTD. Nandani

		Years					
Sr. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	CGR
A)	Capital & Credit						
1	Share Capital	2284967	2788507	2835171	2969968	2947069	5.886374
2	funds	1473002	3240604	3589829	3511198	3832006	22.04711
3	Deposits	10000	672500	239000	881000	-	245.5917
4	Loans	2138425	676932	-	-	-	-68.3444
5	Others	2719363	3616697	3102016	2903733	2644655	-2.71524
B)	Assets & Debits						
	Bank balance	100171	4147	14562	37280	28331	-3.24394
	investment	860050	854050	18000	18000	18000	-68.629
	Deposits	998303	1070913	1917184	1613874	1208562	8.246249
	current Assets	1328536	865368	865368	865368	865368	-8.21631
	others	5860873	7809477	6356921	7016378	3603442	1.323624
C)	Profit or Loss	1005034	100736	14678	19653	45713	-54.2284

Source: Annual Reports of Nandani Union (from 2003-04 to 2007-08)

Table no. 3.3 shows that financial performance of NFVGCU. There were three items namely Capital and Credit Account, Assets and Debits Account, and Profits and Loss Account. These accounts were as under.

A) Capital and Credit Account:

In the capital and credit account there were five particulars i.e. share capital, funds, loans, deposits and others. These items are explained given below.

1. Share Capital:

In the year 2003-04 share capital of union was Rs. 2284967. In the year 2005-06 it was Rs. 2835171 and in the year 2007-08 it was increased up to Rs. 2947069. The study shows that the compound growth rate of share capital was (5.88 %) which is better.

2. Funds:

In the year 2003-04 funds were Rs. 1473002, in the next year it was increased up to Rs. 3240604. From year 2005-06 to 2007-08 the funds were increase up to Rs. 3832006. It means that funds were increased up to (22.04 %).

3. Loans:

The NFVGCU had taken loans from financial institutions i.e. National Co-operative Development Corporation (NCDC) New Delhi, Kolhapur District Central Co-operative Bank Ltd. Nandani and Nandani Co-operative Bank Ltd. Nandani. The data about the loans indicates there was negative compound growth rate i.e. (-68.34%). In the year 2003-04 the loans were Rs. 2138425 and next year 2004-05 the loans were decreased up to Rs. 676932. Recent three years (2005-06 to 2007-08) union stops to taken loans. Means there was decreasing trend in the loans during the study period.

4. Deposits:

The position of deposits shows the deposits were collected from the grower members of union. There was increasing trend of deposits to union. There was positive CGR i.e. (245.59%). In the year 2003-04 deposits were Rs. 10000 and the deposits were increased up to Rs. 881000 in the year 2006-07.

B) Assets and Debits Accounts:

In the assets and debits accounts there were five particulars i.e. Bank balance, investment, deposits, current assets and lastly other debits. These items are explained as under.

1. Bank Balance:

Bank balance is the important part of Assets side of any institutions. The NFVGCU's bank balance had decreased by (-3.24%). In the year 2003-04 the bank balance was Rs. 100171. In the year 2005-06 it was declined up to Rs. 14562. By the end of the year 2007-08 again it was increased little proportion up to Rs.28331. It means that over all in the study period Bank balance of union was fluctuated due to the huge rain fall and flood situation in this region.

2. Investment:

The NFVGCU was invested initially two years it was in the 2003-04 Rs. 860050 and in the year 2004-05 it was Rs. 854050. In the study period last three years investment was constant it was Rs. 18000. That is why compound growth rate of investment was negative it was (-68.629%).

3. Deposits:

In the year of 2003-04 deposits were Rs. 998303. It was increased in the year 2005-06 up to Rs. 1917184. In the year 2007-08 it was again some extent decreased up to Rs. 1208562. It means that in the study period deposits of NFVGCU were increased by (8.24%).

4. Current Assets:

Compound growth rate of current assets shows that it was decreased up to (-8.21%) during the study period. It was initial year 2003-04 it was Rs. 1328536 and from 2004-05 to 2007-08 it was constant to Rs. 865368.

5. Other Debits:

In the year 2003-04 unions other debits were Rs. 5860873, in the end of the year other debits was increased up to Rs. 6603442 and CGR of other debits was (1.32%). It shows that there was positive trend in the other debits of union.

Above discussion shows that there was ups and downs in the financial performance of NFVGCU. The union is survived by collection and selling based on fruits and vegetables. There is instability in the loans, deposits and etc.

C) Profit or Loss Account:

Profit and loss account is one of the best indicators of any institution.

The NFVGCU was established on no profit no loss. It is a co-operative union. So the main purpose was welfare of farmers in the Shirol taluka. The compound growth rate of profit or loss account of union shows that union was under loss. In the year 2003-04 total profit of union was Rs. 1005034. After that in the year 2005-06 it was decreased up to Rs. 14678 and in the year 2007-08 it was again increased up to Rs.45713. So this profit or loss account shows the large ups and downs faced by union and that is why the CGR of profit or loss account of union was (-54.22%). We can say based on this growth rate union is under loss in the study period.

3.4 Conclusion:

On the basis of all above information of Nandani Union we can say that maximum trend of collection and sale of fruits and vegetables was in the year 2003-04. Then it was decreasing trend up to 2006-07. After this year, in the year 2007-08 again it was increased. As well as price of sale shows the 2003-04 to 2005-06 it was increasing trend, after that year it was decreased up to 2006-07 and again it was start to increase. So union's collection and sale performance was not good in the study period.