

A Study of Unjha Market Yard (APMC): Financial Performance

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ABSTRACT

The growth of farmers is greatly aided by APMCs. The actions of the farmers in terms of selling and purchasing might be significantly impacted by APMC. The major activity to enhance the trade cycle is carried out by APMC Unjha, one of the most active APMCs in Gujarat and India. It is located in Gujarat state's Mehsana district. It belongs to a charity. In this study, we examine Unjah APMC's balance sheet and profit and loss statement. Different ratios can be utilised for financial performance analysis and generated on the basis of translating APMC terminology into corporate terms. The financial performance of APMC Unjha is gauged using a variety of factors, including the net profit ratio, current ratio, debt equity ratio, different income and expenditure ratios, and fixed asset turnover ratios. This study's primary goal is to determine the financial status using a ratio analysis.

Keywords- Ratio analysis, income and expenditure of Unjah APMCs, APMC (Agricultural Produce Marketing Committee), and Agricultural Marketing.

I. INTRODUCTION

Agricultural India is a country. India's population is 70% dependent on agriculture. As a consequence, agriculture serves an essential role in the nation's economic growth. India views farming as a way of life rather than a career. As a result, due to farming, the country grows wealthy via development and research. Thus, agriculture is the foundation of the Indian economy. Following independence, the government planned to expand agriculture in order to divide a part in a five-year programme. India is an agricultural country, nevertheless.

The economic situation of farmers is getting worse every day. Anyone would think that our country has to improve the situation of farmers in light of it. Prior to the monsoon, creditors and businesspeople are taking advantage of farmers by buying their goods at extremely low rates. Farmers are progressively going insolvent in this way. Due to the circumstance, wherein an increasing number of farmers commit suicide, farmers now engage

in other businesses in addition to agriculture and sell their land to industrialists for a profit. Numerous Indian farmers sell their farmland in this manner for profit. Land used for cultivation is reduced in this way. India is one of the nations with inconsistent and inadequate rainfall. Farmers in India have to contend with natural disasters while also cultivating grains on their lands, and if there was no organised marketing of these goods, they would not be able to sell them for rates they could afford.

Due to this, agricultural markets must be designed so that farmers receive fair prices. Farmers have to depend on the generosity of businessmen since they are impoverished, uneducated, and ignorant at the same time. As a result, the market lacks healthy competition. The result is a loss of product orientation in the market. Only when Farmers get powerful does a country become wealthy. Farmers only get wealthy when farming does, and farming only becomes wealthy when agricultural goods fetch a fair price. The farm goods should simultaneously have access to a national and worldwide market as well as financing (credit) facilities.

II. ABOUT APMC UNJHA

Unjha Market Yard is one of the biggest regulated markets, and it is a well-known commercial center throughout India for its trade of Jeera (cumin), Variali (fennel seeds), Isabgul, and Raido (mustard seeds). Crops of Jeera, Variali, and Isabgol are only possible in Gujarat, Rajasthan, and some areas in iron. The crop of jeera, particularly in North Gujarat, is superior in quality, and hence there is great demand from all over India and foreign countries as well.

Unjha is the natural assembling and exporting center for agricultural commodities in North Gujarat. There are 800 big business firms in this town that export jeera, variali, oil seeds, pulses, and isabgul to nearly 1500 centers in India and foreign countries every year.

This market is also important for the crushing and grinding of oilseeds, pulses, issabgul, coriander seeds, kalingada-bij, etc. There are 6 oil mills, 5 pulse mills, 4 Sat Issabgul factories, 27 cleaning factories for jeera, variali, and other spices, 6 Kalingada-bij factories, and 5 coriander seed factories in Unjha.

III. DEFINITIONS OF THE CONCEPTS USED FOR APMC

Agricultural produce: Includes anything produced in the course of agricultural operations.

- a) Live stock or poultry,
- b) All Produce whether processed or not of agriculture, animal husbandry, horticulture, pisciculture, forest produce and
- c) Any other produce declared by the state government by notification to be agricultural produce for the purpose Agriculture related act.

2. The Regulation Act: Refers for Gujarat Agricultural Produce Markets (Amendment) Ordinance 2020, implemented throughout Gujarat Stat Act, 2003, with all the updated Amendments to it.

Producer: means any person who grows or produces by himself or by hired labor or otherwise any agricultural produce.

IV. OBJECTIVE OF THE STUDY

1. To measure the level of financial performance of APMC Unjha.
2. To study progress of financial performance of APMC Unjha.
3. To study ratio of net profit, ratio of Current Assets, ratio of Fixed Assets Turnover, ratio of Salary and Wages Expense, ratio of Depreciation Expense and ratio of Market Fees to Total Income for the period from 2019-20 to 2021-2022 of APMC Unjha
4. To financial performance make suggestions for improving economic betterment of APMC Unjha

V. HYPOTHESES

The hypotheses of the present study are as below

H₀₁:- There is no significant difference of Income, expenditure and savings is not seen in APMC of Unjah.

H₀₂:- There is no significant difference of net profit ratio, Current ratio, Fixed Assets turnover ratio, salary and wages expenses ratio in APMC of Unjah.

VI. REVIEW OF LITERATURE

Dr. Kavita Tripathi¹, in this research work, the researcher focused on the distribution of money from the government to the APMC and also on the minimum support price. This research paper also provides the solution to this problem. The researcher collected many data points, and on this basis, they also found the proper solution. At this time, it would be extremely beneficial to not only Gujarat's APMC but also India's APMC.

S. Venkatesh², Perception about Marketing Management of APMC in Gulbarga Division (2014), this research focused on the marketing methods and processes of agriculture marketing. The marketing methods for agricultural produce differ from country to country and state to state. The main focus of the study was the evaluation of the management of agricultural produce marketing committees among Karnataka's farmers. This survey schedule covers the backgrounds of farmers and market functionaries, such as age, education, religion, family background, and source of income. Some of these aspects have already been covered in this article, and we can easily understand the real situation of the farmers.

Sathisha. S.M, Dr. D. Rajabasingh, Harshitha K.³ Contribution of APMC's in agricultural marketing- A study on farmer Perspective in Tumkur District (2021), this research is focused on the agricultural marketing and administrative function of the Market Yards. Farm product is determined by the decision to farm product, and agricultural marketing as a method of all aspects of sales structure. Poor warehouse conditions, a scarcity of knowledge of demand, the dominance of middlemen, and a lack of transportation in the agricultural marketing system.

Ankur Saxena, Mustfa Hussain, Ashutosh Singh⁴, Impact of amended APMC act on apple business in Himachal Pradesh, India, The Indian agricultural marketing system is facing many problems like improper warehousing, lack of packaging, improper transport facilities, a large number of middlemen, the malpractices of traders, improper market information, insufficient funds, etc. A long chain of middlemen decreases the producer's share of the consumer's income. The Agricultural Produce Marketing Committee Act of 1964 places agricultural produce marketing committees (APMCs) under the control and regulation of the buying and selling of agricultural marketing yards. The present study has examined the awareness of growth and development in APMC.

Ankur Saxena ⁵, Indian agricultural marketing system have different problems, like improper warehousing, lack of grading and packaging, inadequate transport facilities, presence of large number of middlemen, malpractices of traders. The amended APMC Act prevents anticompetitive practices, allowing producers to sell directly to private companies or private market yards or farmers-consumer market.

VII. RESEARCH METHODOLOGY

This research study is analytical research. The sample of the study is only one APMC in Gujarat state, i.e., APMC Unjha of Mehsana district. The study is based on secondary data. And it is collected from the annual reports of the APMC Unjha. For the measurement of financial performance in this research study, three years are considered, from 2019–20 to 2021–22. Various ratios like the net profit ratio, current ratio, debt equity ratio, fixed asset turnover ratio, and other ratios related to main income and expenditures are calculated on the basis of the income and expense statement and balance sheet for three years.

VIII. FINANCIAL PERFORMANCE ANALYSIS OF APMC UNJHA

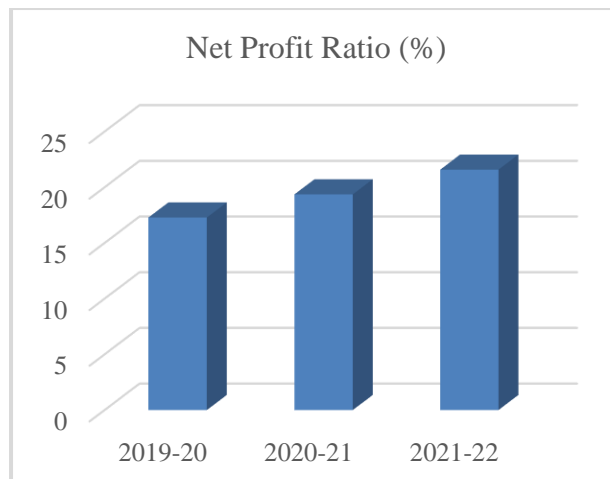
For the measurement of any business, ratio analysis plays a very important role. On the basis of the following ratio, find the present situation of Unjha APMC.

IX. NET PROFIT RATIO

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100$$

Here in this study as we know APMC is not a trading organization and not even a non-profit organization so, on the basis of information available from the Income and Expenditure statement, net profit is replaced by amount of surplus and net sales is replaced by total income in the current research.

Year	Net Profit Ratio (%)
2019-20	17.28
2020-21	19.36
2021-22	21.58



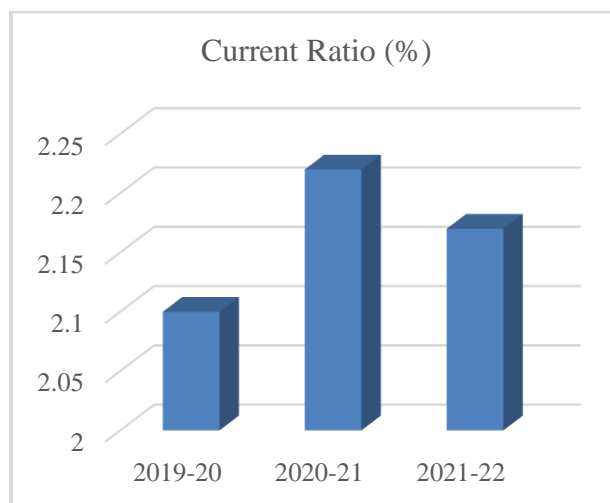
In the years 2019–20, the net profit ratio was 17.28%, 2020–21 was 19.36%, and 2021–22 was 21.58%. Every profit and every sale increased. Over all, the financial situation of APMC Unjha is profitable.

X. CURRENT RATIO

The current ratio is used by business organizations to determine the proportion of current assets in comparison to current liabilities. The standard current ratio is 2:1.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Year	Current Ratio (%)
2019-20	2.10
2020-21	2.22
2021-22	2.17



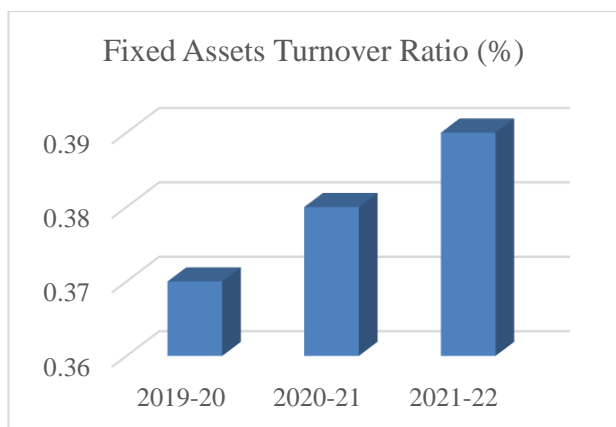
In the years 2019–20, the current ratio was 2:1, 2020–21 was 2:22, and the years 2021–22 were 2:17. As per the accounting statement, it showed the profitable situation of the organization.

XI. FIXED ASSETS TURN OVER RATIO

To know how efficiently fixed assets are being used, this ratio is calculated. This ratio shows the relationship between fixed assets and sales in a business organization.

$$\text{Fixed Assets Turnover Ratio} = \text{Sales/Fixed Assets}$$

Year	Fixed Assets Turnover Ratio (%)
2019-20	0.37
2020-21	0.38
2021-22	0.39



Fixed asset turnover ratios show the asset situation of the organisation. In the years 2019–20, the fixed asset ratio was 0.37; in the years 2020–21, it was 0.38; and in the years 2021–22, it was 0.39. Every year, APMC Unjah increases the fixed asset turnover ratio. It shows the profitable situation of the organization.

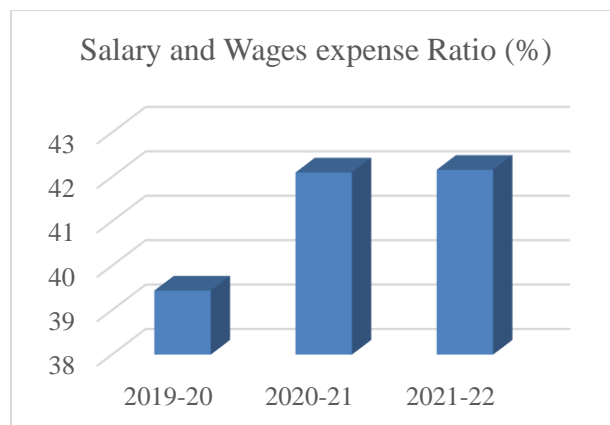
XII. SALARY AND WAGES EXPENSE RATIO

This ratio indicates the level of salary and wages expense to total income of APMC.

$$\text{Salary and Wages Expense ratio} = \frac{\text{Salary and Wages Expense}}{\text{Total Income}} \times 100$$

In the term salary and wages expense, all expenses related to staff like salary, contribution in provident fund, allowances to employee uniform expense etc. are included by APMC Unjha.

Year	Salary and Wages expense Ratio (%)
2019-20	39.44
2020-21	42.10
2021-22	42.16



APMC Unjah was trying to increase the income; as a part of this, they appointed skilled and unskilled people and provided the salary as per the rules of the government. In the years 2019–20, the salary and wage ratio was 39.44%, 2020–21 was 42.10%, and 2021–22 was 42.16%, indicating the positive situation of the Unjah APMC.

XIII. CONCLUSION

Unjah APMc is one of the largest APMC in India. This organization play very important role in trade cycle of the India. Presently, this research paper are totally based on the secondary data and all the ration have find on the basis of the balance sheet and financial report. As per report and analytical data, this APMC have main fees collection sources is market fees and licenses fees. Every year this ration should be increases and Unjah APMC will try to improve the income sources. As per this analysis, net profit ratio should be increases every year. Current ratio and fixed assets ratio should become positive. As per the rules of the government, This APMC has provide the salary so wages and expense ration have to maintain. Unjah APMC have main assets is farmers goods, this market are totally regulated by the government and assets are properly allocated as per the rules and regulation so depreciation ration have decrees. As per this research presently the real situation of the APMC Unjah are very profitable.

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