



REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631 (UIF)

UGC APPROVED JOURNAL NO. 48514

VOLUME - 8 | ISSUE - 9 | JUNE - 2019



A COMPARATIVE STUDY ON FINANCIAL PERFORMANCE OF VASUDHARA, BANAS AND BARODA DAIRY UNITS OF GUJARAT

Mrs. Hetal A. Bhatia

Research Scholar, Department of Business Studies, Sardar Patel University, V. V. Nagar.

ABSTRACT

The largest milk production was made by the Indian dairy industry but the India has no more opportunity for market entrance than other countries. The present research study is viewed the financial performance of dairy co-operatives. In this research paper the financial performance is analyzing by using two paired t-test. The research paper is presented for the three dairy units' financial performance and the period for this study is five years. In this research paper is reflected a comparative financial performance of three selected dairy units of Gujarat such as Baroda, Banas and Vasudhara. Under this study is made on the total sales, net profit, total investment, and total stock and total expenses of the three units for the period of 2013-14 to 2017-18.



KEY WORDS: - Financial Performance, Financial analysis, Market entrance, Comparative study.

INTRODUCTION

The dairy development is made by the way of co-operatives which is watched over by all over the world. The milk production is increased by the co-operative units because the maximum contribution for them. India is established their rank in the first line in production of milk in all over the world. In the states of Gujarat the Amul pattern was started before many years it was helpful for the husbandry farmers for to improve their financial and social status so they live their life dependantely. The Indian dairy co-operatives gives the importance of women empowerment so

women can earn their income from the animal husbandry activities. The total production of milk production was Rs. 262100 crores in 2014. In the present 80 percent of liquid milk was sold by the unorganized sector. Dairy industry was one of the most valuable sectors in India. In the last four decades the national income of milk production and agriculture GDP was increased by the small producers of dairy sectors. The milk production of India was 171 million metric tons in the 2017. The dairy co-operatives are more beneficial than the other co-operatives

because they give employment to the rural people. The state of Andhrapradesh was known as the land of cocoa and milk in India. In India the production of milk was more than 155.5 million tones every year. At global level India was contributed 17 percent of its share in milk production. The Indian dairy sector was facing the competition from the private plants from the 1990. In rural area people earn 1/3rd of its income from the production of the milk.

HISTORY OF VASUDHARA, BANAS AND BARODA DAIRY UNIT VASUDHARA

In 1978, 14th December the Vasudhara District Cooperative Milk Union Limited was established in Valsad district of Gujarat. The purpose behind it to establish the Vasudhara Dairy Cooperative was protect the interest of small milk producers by the businessman and intermediaries, who were exploited the small milk producers in the town of Navsari. This dairy unit was established in the town of Navsari because their small milk producers were not went in a long distance place to sales their milk. The milk producers also protected their fair prices of the milk. The Vasudhara dairy was founded under the leadership of the Tribhuvandas Patel and the direction was given by the Sardar Vallabhbai Patel. The Sardar Vallabhbai Patel was give suggestion to the small producers to sell there to the Bombay Milk Scheme because the Polson dairy unit was gave them low prices of their milk production. In the year 1978 the Valsad dairy unit was established for the milk collection and process of milk in the town of Navsari. The farmers are so marginal they can collect only one and two liters of milk every day. The further development of dairy unit was made by the Dr.V.Kurien and Shri B.M.Vyas in the year 1979. Because of their efforts the Gujarat Cooperative Milk Marketing Federation was established. In the year 2005 the Valsad District Cooperative Milk Union Limited had join under the brand name of Amul. The purpose behind this join was to abolish strongly the competition between the Gujarat cooperatives with the private sector. It was assurance to given to the marginal farmers to give enough returns and also give quality product to the consumers under the well known brand name of Amul.

BANAS

The Banaskantha District Cooperative Milk Federation, Palanpur was popularly known as the Banas Dairy Unit. The banas dairy unit is get first rank in the milk production in the Asia. The banas dairy unit was established in the year 1969. This development was made by according to the rule of 1961, The National Dairy Development Board. The crucial role was played by the Shri Galbabi Navjibhai Patel in the establishment of banas dairy unit. According to the data of the year 2016-17 the revenue of the banas dairy unit was INR rupees 7500 crore. The collection of milk of banas dairy unit was around 50 Lakhs liters daily. Banas dairy unit was marketing their product under the brand name of Amul. Banas dairy mainly produce the product such as milk powder, ice cream, milk, Amul cool and Amul butter etc. Under the brand name of Amul, Sagar and Banas, the banas dairy cooperative producing their products. Under these brand names the products includes such as Sagar ghee, Amul Shakti Powder, Banas peda and Banas tea etc. In the Middle East, Far East, Australia and African nations the banas dairy has exported their products such as ghee and milk powders. Banas dairy has got ISO 9002 and HACCP certification. The total geographical area of banas dairy unit is 12248 square km, under it 72 percent land is cultivable and 12 percent land is irrigated by tube wells and canals. The tree plantation programmed was made in the year 2013-14. Under these programmes total 65745 trees have been planted.

BARODA

The Baroda District Co-operative Milk Producers Union Limited is popularly known as the Baroda dairy unit. The broad dairy unit is established on 24th December in the year of 1957. The purpose of this dairy development was to provide good fair prices of their milk and also provide qualitative milk for the people of Baroda city. In the development of the Baroda dairy unit major contribution was given by the Amul dairy unit's chairmen of T. K Patel and general manager was Dr. V. Kurien under the leadership of Maganbhai Patel who was the Deputy Minister in the Baroda dairy unit. Due to the improper facilities of chilling and pasteurization of milk the dairy unit was not in a condition to collect the rural milk. So the Baroda dairy unit has to bring and supplies the pasteurized milk from the Amul dairy unit and provide proper supply of milk to the customers of the Baroda city. In the year 1962, 24th August the Pasteurization milk plant was established in the Baroda dairy unit by the T. K. Patel who was the dean of the dairy cooperative. In the year 1964-65 the dairy unit was started milk acquirement activity. On 25th April 1965 the dairy unit was started the special technological plant which was inaugurated by the Morarji Desai, the finance minister and with the efforts of government of

Gujarat. Baroda dairy unit is produced milk, ghee, buttermilk, rajwadi kadhi and flavored milk. Under the brand name of sugam the Baroda dairy unit is produce such product as ice-cream, shrikhand and different variety of sweets. Since last 55 years Baroda dairy unit is work for the farmers of Baroda district and provide good qualitative milk to the people of Baroda. The Baroda dairy unit is certified under the ISO 9001-2015 and ISO 14001. This dairy unit is engaged in the activities such as in the collection of milk as well as production and marketing under the brand name of Amul and Sugam. The annual turnover of Baroda dairy unit is about Rs.1165 corers in the production of milk and milk products.

LITERATURE REVIEW

Agro economic Research Centre Bhagalpur University (2001) the study took on the production and development System of milk at rural manufacturers at the level of over rural regions. The study was taken by Waltair, Bhagalpur, Vallabh Vidyanagar, Gujarat, Punjab and West Bengal with the following objectives.

- To enhance the milk production, convert milk into Ghee, white butter, khoa, mawa, curd etc during the season time.
- To Study the milk converted sale into the liquid form.

The above objectives viewed that there is a need to change the co-operatives laws and created environment of confidence, wisdom, energy and strength of power.

Ahmed Anjum Shakeel (2000) the researcher analyzed the performance of Gulbarga Co-operative milk producers union. The union using different indicators such as milk procured, sales of milk, total membership share capital. Other Services provided such as members and non members supplying milk and technical services. The study evaluated that registered DCS increased with a total growth rate 5.28 Percent annually. It was indicated that union not provided adequate technical services.

Amitkumar Sah (1999) in the year 1994-95 the milk union at Orissa the research focusing on the cost and return analysis. The origin of Unions income was obtained by the sale of milk to the dairy. In the terms of FAT/SNF percentage in raw milk the penalties paid by the societies for deviation from standards. Moreover these activities to support Socio-Economic development authorize the Union to earn commission. The union total profit or loss was indicated by subtracting cost from total revenue receipts.

Animesh Banerjee (1996) This article on "Indian Dairying An Overview" find the growth of the Industry from ages to its present model of co-operative Structure and Suggests a pattern between the co-operatives and investment of private sector to earn the benefits of modern technology.

Bhalla (2000) The articles suggested of the dairy industry in related quality which included Quality Management Systems (QMS), Total Quality Management (TQM), ISO-9000 Series, Food Safety Standards, Environmental Management System (ISO: 14000), Quality of raw milk increasing quality of milk testing and analyzing laboratories.

Choudhary (2003) the present situation of milk production and the policies that effect the milk producers in the India. The policies included the taxation of the commodities were also briefly discussed in the study.

G.Chandrasekar (2006) Titled the articles "Milk Output Position to top 100 million tones" viewed that the by consumer side the output growth of milk in India is seen by increasing demand for value added milk products and on the other supply side the extensive dairy development programme. He has viewed that the India is the largest producer of milk but the level of Country's dairy sector with the global economy is low.

R. Masilamani (2002) the study analyzing 12 years data from 1986-87 to 1997-98 evaluated the performance of Salem District Co-operative Milk Producers' Union Limited. The study showed that the estimated cost in the state wise varies slightly differently. It was found that the total cost affected the labour cost in all states.

Rej and Sur (2001) In their joint Publication related that the "Profitability Analysis of Indian Food Products Industry : A Case Study of Cadbury India Ltd." tries to measure the profitability scenario

of Cadbury India Ltd .The Study analyzing the statistical significance of the relations by using correlation coefficient and multiple regression equation.

Suresha et al (2001) the study viewed that the last three decades the Indian dairy sector has noted that the growth of more than 5 percent per annum. The WTO agreement enters included Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures and codex Standards. Due to the globalization to yield profit and to meet the competition the India should produce products of International Standards at internationally competitive prices.

V.Kurien (1999) the factors affected for the success of dairy Industry such as technology, quality, infrastructure, right investment and relationship with agriculture.

The study viewed that the Indian dairy Industry has been give earnings to the producers. The researcher suggested that,

- The factor advantage of India has to be Competitive advantage.
- To maintained the world class standards.
- All business organization big and small should be self reliant soothe Government should have no role in financing of the development of the Industry.
- To be self regulated the Industry.
- To protect the interest of milk producers of pricing policy.
- Enough and timely information about happenings to be provided.

G.P. Dang et al (2004) the study found that the research analyzes the problems and future prospects of Indian Dairy Industry. Inadequate use of Scientific Practices in milk Practices, lack of availability of fodder in all seasons, not available of veterinary health services and shortage of quality of dairy animals were reasons of low milk yield. The study found that has the potential to become one of the players in milk and milk products due to its location advantage being situated the milk deficit countries in Asia and Africa.

Mrs. Heena Rawal (1999) the researcher studied the Profitability of five district milk Producers Co-operative Union Limited of Gujarat State. She studied of Gujarat State Co-operatives the costing and Pricing Practice of milk. The study shows that the Profitability increases by reducing the cost or increases the total sales. The study found that the co-operative has not adopted a proper costing system and cost volume and profit method to control cost. All the five dairy co-operatives none of the co-operatives have not been identified the cost centre.

Business Standards (2003) The study viewed that the National Dairy Development Board would strength its co-operative launch effective Disease Management Programme, to maintain quality's problem and building national information system as included to set up an effective milk grid. NDDDB has also launched the clean milk production programme that has been taken 126 milk Unions covering about 10,000 village dairy co-operative Societies.

Dr. Harish Desai (2006) His study in viewed in his PhD "Financial Performance of selected District Dairies Co-operatives in Gujarat" in May-2006.He made his study to analyzing the financial health of the nine selected dairy co-operative by applying accounting tools and techniques. The techniques using such as common size statement, ratio analysis etc. He has used other methods like mean, regression, F-test, t-test, diagrammatic and graphic presentation of data.

RATIONALE OF THE STUDY

The scope of this study is related with three selected district dairy units in Gujarat. The study of financial performance has been taken for a period of 5 years that is from 2013-14 to 2017-18. The study is taken from the annual report of the dairies. This study is useful for the students, government, society and dairy units.

STATEMENT OF THE PROBLEM

"A Comparative Study on Financial Performance of Vasudhara, Banas and Baroda dairy units of Gujarat".

OBJECTIVES OF THE STUDY

- To study the financial performance of three selected dairy units in Gujarat.
- To give suggestion and takes proper steps to improve the financial condition of the selected dairy cooperatives.
- To compare the financial performance of selected dairy units in Gujarat.
- To analyzing the contribution of the dairy sector in the development of the Indian economy.

HYPOTHESES OF THE STUDY

H₀₁- There is no significant difference in the mean scores of total incomes of Amul and Sumul dairy units in Gujarat.

H₀₂- There is no significant difference in the mean scores of total expenditure of Amul and Sumul dairy units in Gujarat.

H₀₃- There is no significant difference between in the mean scores of net profit of Amul and Sumul dairy units in Gujarat.

H₀₄- There is no significant difference between in the mean scores of total assets of Amul and Sumul dairy units in Gujarat.

LIMITATION OF THE STUDY

- This study was taken from the secondary data which was published in the annual report of the three selected dairy co-operatives.
- In this study calculation was mainly base on ANOVA test.
- This study was limited to financial performance only.
- This study was limited to financial performance of the year 2013-14 to 2017-18 for Vasudhara, Banas and Baroda Dairy co-operatives.

SAMPLE OF THE STUDY

Convenient sampling method was used for sample selection. There are 17 dairy units in Gujarat state. From this researcher has selected three dairy cooperatives.

The two selected dairy Units

Sr. No.	Co-operatives	Dairy	Location
1	Valsad District Co-operative Milk Producers' Union Ltd.	Vasudhara	Navsari
2	Banaskantha District Co-operative Milk Producers' Union Ltd.	Banas	Palanpur
3	Vadodara District Co-operative Milk Producers' Union Ltd.	Baroda	Vadodara

DATA COLLECTION TECHNIQUES

The data were collected personally by the investigator by analyzing reports and references of reports of related data of Vasudhara, Banas and Baroda dairy cooperative.

DATA ANALYSIS TECHNIQUES

- Mean(Average)
- Standard Deviation
- ANOVA- test

ANALYSIS AND INTERPRETATION OF THE DATA FOR THE PRESENT STUDY**Table: 01 Net Profit**

Year	Baroda	Banas	Vasudhara
2013-14	254.17	1962.63	581.11
2014-15	320.26	1981.09	617.98
2015-16	358.5	1948.13	915.3
2016-17	406.05	2373.6	1102.86
2017-18	395.3	2398.16	1364.81

(Rupees in Lakhs)

Groups	Count	Sum	Average	Variance
Column 1	5	1734.28	346.856	3821.094
Column 2	5	10663.61	2132.722	53619.33
Column 3	5	4582.06	916.412	109328.5

Anova test

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	8321869	2	4160935	74.8509	1.67	3.885294
Within Groups	667075.6	12	55589.64			
Total	8988945	14				

From the table-1 it is indicated the P-value of net profit. At 5% significant level P-value is 0.05 > 1.67. so null hypothesis is accepted. It can be said that there is no significant difference in net profit between three selected dairy cooperatives during the period from 2013-14 to 2016-17. The net profit established the relationship between net profit and sales. It is also indicates management's efficiency in manufacturing, administrating and selling of the production.

Table: 02 Total Investments

Year	Baroda	Banas	Vasudhara
2013-14	302.46	1541.68	346.56
2014-15	317.85	2817	546.71
2015-16	335.33	3811.05	692.75
2016-17	363.44	5050.56	844.74
2017-18	363.44	5050.56	844.74

(Rupees in Lakhs)

Groups	Count	Sum	Average	Variance
Column 1	5	1682.52	336.504	739.86
Column 2	5	18270.85	3654.17	2271972
Column 3	5	3275.5	655.1	45072.38

Anova test

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	33504720	2	16752360	21.68324	0.000103659	3.885294
Within Groups	9271138	12	772594.8			
Total	42775858	14				

From the table -2 it is viewed that about the total investment of the three dairy cooperative units from the year 2013-14 to 2016-17. It is suggested that the calculated P-value is less than 5% level of significance. So null hypothesis is rejected. So it is said that there is no significant difference between the total investments of three dairy cooperatives during the period of 2013-14 to 2017-18.

Table: 03 Total Sales

Year	Baroda	Banas	Vasudhara
2013-14	78031.18	468838.3	110725.92
2014-15	90188.75	544393.6	122164.7
2015-16	101164.7	611505	130077.4
2016-17	116578.3	755589.1	155235.51
2017-18	11841.33	879310.7	167716.95

(Rupees in Lakhs)

Groups	Count	Sum	Average	Variance
Column 1	5	397804.2	79560.838	1634559728
Column 2	5	3259637	651927.322	27292009834
Column 3	5	685920.5	137184.096	558557795.6

Anova test

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	9.93	2	4.97	50.52415183	1.43	3.885294
Within Groups	1.18	12	9828375786			
Total	1.11	14				

It has been found from the table -3 about the total sales of the three dairy units. The statically P-value is 1.43, which is higher than the table value at 5% level of significance. So it is indicated that the null hypothesis is rejected. So it is said that there is significance difference total sales of the three dairy units during the period 2013-14 to 2017-18.

Table: 04 Total Expenses

Year	Baroda	Banas	Vasudhara
2013-14	80393.96	603455.8	112476.2
2014-15	92865.4	703769.1	123985.2
2015-16	105246.2	832843.6	132897.2
2016-17	120403.2	9925047	157569.4
2017-18	122146.3	491248.4	178144.1

(Rupees in Lakhs)

Groups	Count	Count	Average	Variance
Column 1	5	6	104211	320227523.8
Column 2	5	6	2511273	1.72
Column 3	5	6	141014.4	705748027

Anova test

Source of Variation	SS	SS	MS	F	P-value	F crit
Between Groups	1.90	1.90	9.51	1.65	0.231033	3.885294
Within Groups	6.88	6.88	5.73			
Total	8.78	8.78				

The table -4 is revealed about the total expenses of the three dairy cooperatives. The study has confirmed that there is statistically significant difference between the total expenses of the three dairy units. The P-value of the total expenses is 0.23 which is higher than the 5% level of significant. So null hypothesis is rejected.

Table: 05 Total stock

Year	Baroda	Banas	Vasudhara
2013-14	3285.26	33951.55	1950.38
2014-15	3626.74	14741.24	1999.26
2015-16	5544.81	50253.65	2276.42
2016-17	5748.85	90543.85	3488.29
2017-18	6534.03	76004.02	3148.5

(Rupees in Lakhs)

Groups	Count	Sum	Average	Variance
Column 1	5	24739.69	4947.938	2005867
Column 2	5	265494.3	53098.86	9.43E+08
Column 3	5	12862.85	2572.57	493437

Anova test

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	8.13	2	4.06	12.89275	0.001026	3.885294
Within Groups	3.78	12	3.15			
Total	1.19	14				

From the above table-5 is indicated about the total sales of the three dairy units. From the study it is suggested that the P- value of it is 0.0010 which is less than 5% level of significance .So null hypothesis is rejected. It is viewed that there is no significance difference between in total sales of the three dairy cooperatives during the period of 2013-14 to 2016-17. The total stock of the three dairy cooperatives indicates the efficiency of their units' stock management.

FINDINGS OF PRESENT STUDY

- The financial data of the three dairy cooperatives prepared on the basis of the historical cost method and accounting standard principles at the accepted accrual basis.

- The total assets of the dairy cooperative are analysis after deducting depreciation on it. The rate of depreciation is decided by the management of the dairy co operatives.
- The total investments of the dairy cooperative are in the long run basis so they are indicated in the balance sheet at a cost price
- The total finished stocks and loose stocks are analysis on the base of at the cost price or approximate accrued value whichever is less.
- Packaged goods and raw materials are calculated including in the cost of excise duty and sales tax.
- In the cost of total purchases and sales the expenses are included of GST, sales tax and excise duty.

SUGGESTIONS OF THE STUDY

- The three dairy cooperatives should give the attention for increase the number of skillful manpower.
- The researcher strongly suggested that the dairy cooperatives must increase their investments. So sufficient fund is useful for the purpose of better development of the dairy cooperative.
- The researcher strongly said that the management of the dairy cooperatives should make efficient efforts to increase the income and profit of their dairy units.
- It was strongly suggested that dairy units should try to control its expense to increase its profit margin.
- The dairy units should take major steps to survive in the competitive market condition at the global level.
- The researcher recommended that the dairy unit must work as a chain for to provide better services to the milk producers and consumers..
- The dairy units should take an action a new method of financial management for the better performance in future.

CONCLUSION

The purpose of the financial performance analysis and interpretation is to originate the financial performance of selected dairy units and it will be very useful to the management for taking various decisions for the development of the nation. The development of the dairy unit is also helpful to get the employment of the rural people especially for the rural women. Therefore they earn sufficient income from the milk production and live their life independently.

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