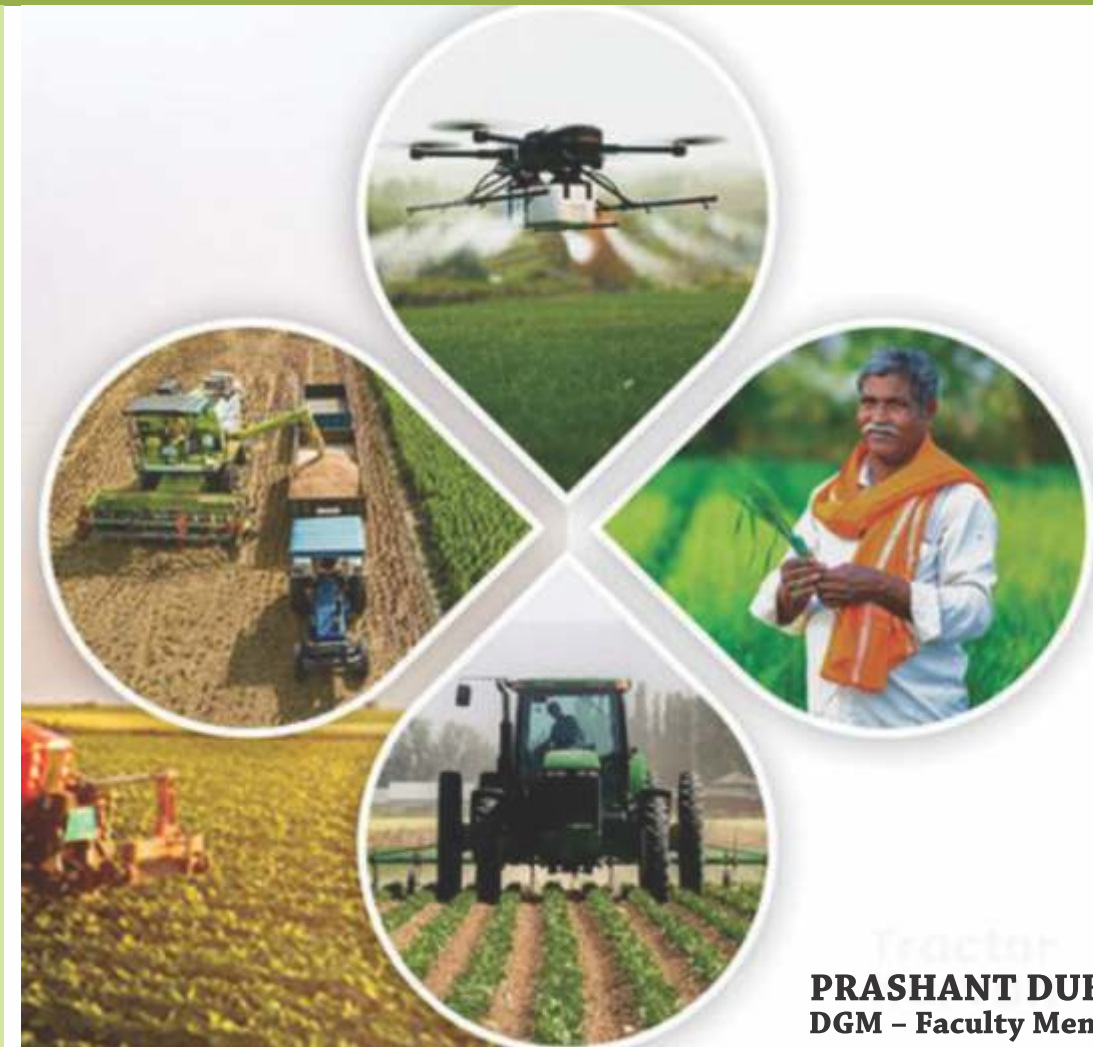


# A Case Study on Farmer Producer Organizations

Graduating FIGs into FPO as a competitive value chain actor

Nabajagaran Global Farmers Producer Company Limited,  
Purba Medinipur, West Bengal



Tractor  
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(Designated Nodal Training Institution at Central level by Government of India under Central Sector Scheme on Formation and Promotion of 10000 FPOs)

**Disclaimer**

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# Foreword

**F**ragmentation of land resources, overall rise in the cost of farm inputs/ services and changing market equilibrium have together challenged the viability of the small holder farming in India. Lack of economy of Scale increases the per unit cost of production and post-harvest operations, while the small quantities of marketable produce deny the adequate bargaining power to the small farmers, resulting in sub-optimal net incomes for them. The primary farm producers, therefore, realize only about one-third share of the retail price paid by the end consumer.

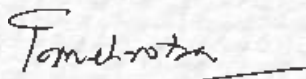
In order to overcome these challenges, adoption of collectivisation and aggregation approach by the small and marginal farmers can be a prudent strategy to turn small holder farming into a viable proposition. NABARD, under its various initiatives, has been supporting formation and nurturing of Farmer Producer Organisations (FPOs) to help small farmers to work together and leverage on their collective strengths for business participation in production, post-harvest and marketing activities and gain from higher economies of scale.

Considering the success of this approach, ministry of Agriculture and Farmers' welfare (MoAFW), Government of India, in 2020 launched a Central Sector Scheme for formation and promotion of 10000 FPOs across the country and designated Bankers' Institute of Rural development (BIRD), Lucknow as a nodal training institution at the central level for developing a national training framework and training resources for capacity building of stakeholders in all areas encompassing the agri-value chain activities.

I am happy to present a case study on "Farmer Producer Organizations: Graduating FIGs into FPO as a competitive value chain actor: M/s Nabajagan Global Farmer Producer Company Limited, Purba Medinipur, West Bengal," being fifth in the series of 06 case studies on FPOs conducted by BIRD, Lucknow.

I am confident that the case study will be immensely useful for the all the stakeholder involved in promotion and development of FPOs, and shall prove to be a valuable resource material during the training and capacity building.

My deep appreciation to Shri Prashant Dubey, DGM-Faculty Member, BIRD Lucknow; Shri Deepak S. Ghorpade, DGM-Faculty Member, BIRD Lucknow (for peer review of the case study) DDM of Purba Medinipur District of West Bengal and NABKISAN, Mumbai, the officials of POPI and FPO, who facilitated to bring out this fruitful and comprehensive document.



**Nirupam Mehrotra**  
Director



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# 1. INTRODUCTION

Farmer Producer Organizations (FPOs) has emerged as the most effective means to cater to the needs of farmers, particularly small and marginal farmers at the grassroots level. Problems faced by small and marginal farmers can be mitigated to a large extent by organising them into FPO as a business entity. FPOs enable member farmers to reap the benefits of economics of scale in purchase of inputs, processing and marketing of their produce apart from providing member farmers access to timely and adequate credit and provide linkages to markets.

The main aim of FPO as a business entity is to ensure better income for the member farmers through an organisation of their own. Farmers, especially the small and marginal farmers do not have the volume individually (both input and produce) to get the benefit of economics of scale. Besides, in agricultural marketing, there is a long chain of intermediaries in the value chain of the any produce, leading to the situation where the farmer receives only a small part of the value that the ultimate consumers pay. Therefore, the main aim of FPO as a business entity should be to provide member farmers the benefit of economics of scale through aggregation and better bargaining power with the bulk buyers of produce and bulk suppliers of inputs.

## About the Egra-II and Patashpur-II blocks of Purba Medinipur Districts of West Bengal

Paschim Medinipur district has been carved from the erstwhile Medinipur district and came into existence from 01 January 2002. The district has again been bifurcated setting aside eight blocks of Jangal Mahal to create new district named Jhargram on 04 April 2017. The total geographical area of the district is 6116.94 sq.km. The district is divided into 3 sub-divisions, 21 Blocks and 7 Municipalities.

The gross cropped area and net cropped area of the district is 8.19 lakh hectare and 4.26 lakh hectare respectively, with cropping intensity of 192.10 %. The net irrigated area of the district is 3.21 lakh hectare, which amounts to 75.26%. The district comes under red lateritic and old alluvium agro climatic zone. The normal rainfall of the district is 1517.4 mm (LTA of 35 years), with a rainfall of 1639.6 mm during 2019. The experiences of drought and flood are common in the district. The district has a flood prone area of about 1.42 lakh hectare (Ghatal and part of Kharagpur Sub-Division) and drought prone area of 1.84 lakh hectare in Midnapore Sadar Sub-Divisions. The Small and Marginal Farmers are the key stakeholders of the district owning 80.92% of the total land holdings.

The major crops grown are Paddy (Aus, Aman and Boro), Potato, Oilseeds, Pulses, Vegetables etc. and minor crops like Maize, Sugarcane, Jute, Betelvine, Mat Stick etc. are also grown. The district produces surplus quantities of Paddy, Vegetable and Potato and is stepping forward year after year, however, it is lagging behind in production of pulses, oilseeds and wheat. The livestock population in the district includes black bengal goat, sheep, cow and poultry. The district has a suitable agro-climatic condition for cultivation of mulberry and horticulture crops such as cashew, mango, banana, guava, lemon, ber, papaya, jackfruit etc. In- situ soil conservation practices followed through land levelling and field bunding.

The total population of the district as per 2011 Census was 46,84,830 comprising of 23,86,554 (50.94%) males and 22,98,276 (49.06%) females. The district has rural population of 41,81,629 (89.25%). The population density of the district is 743 per sq km, which is much lower than the corresponding State figure of 1028.

The average size of land holding in Purba Medinipur, in 2005-06, was 0.73 hectare against 1.01 hectare in West Bengal. Kharui Kotharh is a constituent panchayat of Patashpur-II block; Patashpur-II block is bound by Egra-I and Patashpur-I and Bhagwanpur-II blocks. The average land holding size in the operational area of the FPC is 0.65 hectare.

The Purba Medinipur district domestic product derives one tenth of its total earning from groundnut, the highest among all district of West Bengal. A total of 8420 persons were engaged in cultivation of groundnut. Beside that there are many farmers engaged in cashew, Vegetables and other agri product cultivation.

## **2. CONTEXT FOR PROMOTION OF FPO**

Two Farmer Interest Groups (FIGs) were formed in 05 villages for paddy, vegetables, groundnut under a programme of Bidhan Chandra Krishi Vishwavidyalaya in 2013. The farmers were trained in various modern techniques of cultivation and the agricultural activities were although improving, but besides being small and marginal farmers, they lack the resources necessary to access fair markets. The community in the area also lacked the financial literacy. Chit Fund NBFCs operating in various areas of Eastern India including West Bengal were also operating in these villages too. The farmers who had very little knowledge about the banking and financial services became easy targets for these chit fund NBFCs who lured them for unreasonable returns and most of them lost their hard-earned money to these NBFCs and the same came to their knowledge when the scam was unearthed in 2013-14. Few of the farmers could not bear the shock and even committed suicide.

The NGO, Dakshin Charaikheya United Club (DCUC), Purba Medinipur, West Bengal was operating in the area on various programme of financial literacy and SHG promotion. However, it was not able to spread its reach to the farming community, mostly dominated by male population. This also led the chit fund companies spread their wings in the area, mostly among the male members of the community.

During the year 2015, the NGO, DCUC was identified by NABARD as Produce Organisation Promoting Institution (POPI) in Purba Medinipur district of West Bengal for the Formation, Promotion and Development of FPOs under the PRODUCE Fund of Government of India. The task was challenging as the farmers had a bad experience due to chit fund scam. Initially there was resistance as the farmers thought that they may again get cheated and were not willing to contribute even the membership equity amount. The POPI held meeting in 35 villages in the area, convinced a few well informed and progressive farmers, continued its efforts through them and later on got success in convincing the farmers that the issues pertaining to lack of farming and marketing resources may be well addressed only through collectivisation and aggregation both for the inputs as well as production side and the Farmer Producer Organisation (FPO) was the ultimate solution for their problems.

As the promotion of FPOs under PRODUCE Fund was a time bound programme and was to be completed in a targeted manner; also, the registration of FPOs under various legal form like Companies Act, Co-operative Societies Act, Trust Act etc. was allowed, the FPO got registered under Trust Act which was simple and fast. But FPO being a business entity and registered as a Trust was not a convincing proposition as regards getting financial assistance especially from the banking institutions was concerned. The FPO was converted to Farmers Producer Company and rechristened as Nabajagaran Global Farmers Producer Company Limited (NGFPCL) on 1st November 2017 by incorporation under Part IX A of the Companies Act 2013 (Registration No. U01100WB2017PTC223280) with its Registered Address as Kharui Kotbarh, Patashpur, Purba Medinipur, West Bengal – 721429 and Office located in Egra Krishak Bazar, Egra, Purba Medinipur, West Bengal - 721429 allotted by Department of Agriculture Marketing, Government of West Bengal.

The FPC is engaged in ground-nut value chain and providing services like supply of seed and fertilisers, aggregation, storage, processing and marketing of the produce.

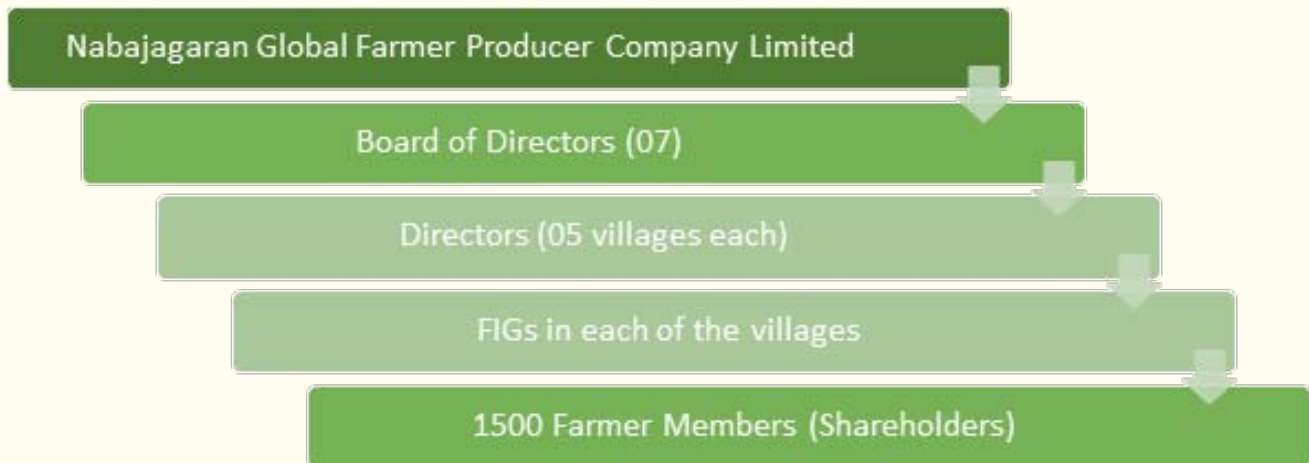
The company has a paid-up capital of Rs 15.00 lakh and had a turnover of Rs 6.00 Crore during 2021-22.

### 3. GOVERNANCE & MANAGEMENT STRUCTURE OF FPO

The governance of NGFPCL is vested with the Board of Directors (BoDs) comprising of 07 Directors of which there is only one female director. As per the Statute of the Company, the Directors are to be elected by the members. However, at present, 07 Directors have been holding the office since the registration of the FPC. These directors have been appointed out of the names suggested by the FIGs in each of the villages. Only those members have been given the responsibility of the Director, who have good reputation amongst the farming community and have good relationship too. The directors and their qualification is as under:

1. Shri Subhash Chandra Ghorai	Director (Chairman)	BA
2. Smt Kajol Senapati	Director	10 <sup>th</sup> pass
3. Shri Kala Chandra Pahari	Director	8 <sup>th</sup> pass
4. Shri Gopal Jena	Director	BA
5. Sheikh Basir Ali	Director	8 <sup>th</sup> pass
6. Sheikh Nasim Ali	Director	10 <sup>th</sup> pass
7. Shri Chandan Pahari	Director	B.Com

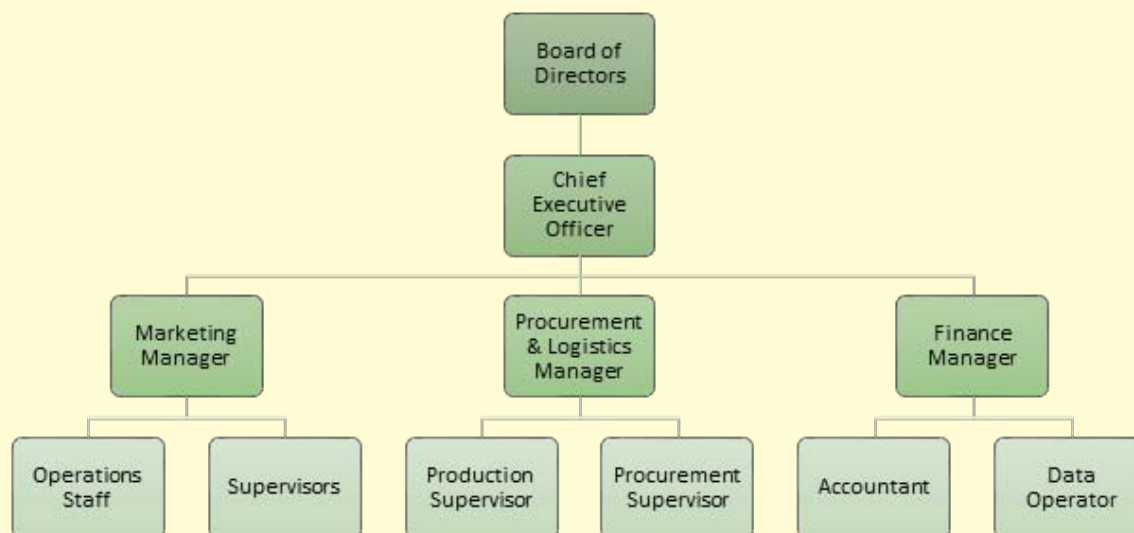
Each of the directors is responsible for the taking care of the business and operations requirement for specific villages allotted to them. Shri Subhash Chandra Ghorai has the additional responsibility of the Chairman-cum-Managing Director of the company.



The FPO received “The Economic Times FPO Award” and “Krishak Samman” by Government of West Bengal for Good Governance, Operations and Service to the Farming Community.

Minimum one meeting of the BoDs take place in a month. However, the BoDs meet as and when required for discussion on specific issues, if any. Number of meetings of the BoDs was 12 meetings during FY 2017-18, 15 meetings during FY 2018-19, 13 meetings during FY 2019-20 and 20 meetings during FY 2020-21. Generally, issues discussed during the meetings of the BoDs include Business Status, Fund Position, Stock position, Share Capital and Business Planning.

The management of day-to-day affairs of the company is vested with the Chief Executive Officer (CEO) of the company, who manages the operation under the guidance of the Chairman, who is also the Managing Director of the Company. CEO is assisted by a team of 09 executives. The organisational chart of the company is as given below:



The present CEO of the Company, Shri Sahadeb Senapati was appointed in 2019 and has full support of the Chairman and the Directors of the company. Role of the CEO is handling the overall operations of the unit which mainly includes the marketing, procurement and finance for which separate managers and supporting staff are appointed by the company.

CEO, with the support of the Chairman and the IT professionals is also performing the compliance function and ensures filing of all statutory compliance and returns to concerned authorities/ departments/ organisation. Depending on the membership, there are three types of producer companies – (i) Companies with individual producers as members, (ii) Companies with institutional members only, where farmers collectives like SHGs, JLGs, FIGs at the village or panchayat level is a member and (iii) Companies with a mix of both individual and institutional members. Past experiences have shown that FPOs mature faster in cases where primary groups like SHGs, JLGs, FIGs etc. are converted into FPOs without altering & diluting their original identity i.e., they continued to function as primary groups as earlier. In case of the NGFPCL, the FIGs created in each of the villages were federated into the FPO.

## 4. MEMBERSHIP & PAID-UP CAPITAL

Started as a Trust with 500 members in 2015, NGFPCL got registered as a producer company in year 2017. The company now has 1500 shareholders from 35 villages of Egra-I and Patashpur-II Blocks of Purba Medinipur district of West Bengal. Only producer farmers are the members with 375 female farmer members and 272 farmer members belonging to SC/ ST community.

The year-on-year growth in the membership is as given below:

Year	2017-18	2018-19	2019-20	2020-21
New members added	500	300	300	400

There had been no new membership since 2020-21.

The membership equity participation of each of the members was fixed at Rs 1000/-. Accordingly, the paid-up share capital of the company is Rs 15,00,000/- contributed by 1500 producer shareholders of the company each subscribing 100 shares of Rs 10/- each.

## 5. EVOLUTION OF BUSINESS PATH LINE FOR NGFPCL

As per the original Business Plan of NGFPCL prepared in the year 2017-18, it envisaged the procurement and supply of organic fertilizers and other inputs for production vegetable through organic practices and collection, aggregation and selling of vegetables direct to the market. The main reason was the availability of various wholesale markets like Contai, Egra, Balighai, Belda, Ramnagar, Patashpur, Pratapdighi, Khakurda Bazar as these markets served as feeder markets for Kolkata. NGFPCL expected better price realisation for near organic produce for premium markets in Kolkata. However, due to uncertainty in the vegetable marketing owing to its perishability, the NGFPCL realigned its business plan and concentrated its efforts on groundnut aggregation and marketing, which was otherwise not considered as a better business proposition by the FPO. The Chairman of the FPO and the other directors established the tie-ups with the groundnut dealers across the country and also introduced new high yielding varieties of Groundnut besides improvising upon the business network.

Currently, 03 types of business activities are being undertaken by NGFPCL, namely Groundnut Aggregation & Trading, Organic Fertilizer Input Business and Paddy Procurement and Trading. The year-wise business plan is as given below:

(Amount in Rs)

Year	2017-18	2018-19	2019-20	2020-21
<b>Groundnut trading</b>	3700000	6456000	15000000	36900000
<b>Organic Inputs</b>	400000	660000	825000	1500000
<b>Paddy procurement</b>	500000	700000	1100000	7060000

Consequent upon changing the business strategy towards groundnut production, aggregation and marketing, NGFPCL mobilised more groundnut farmers to join the producer company and 700 new members joined the company during 2019-20 and 2020-21. Currently, there are 1250 groundnut producing farmers out of 1500 farmer producer members. The same may be evident from the economic intent given below:

Sl. No.	Item	2020-21	2021-22
1	Name of the activity	Groundnut, paddy, bio-fertilizers, organic fertilizers and seeds	Groundnut, paddy, bio-fertilizers, organic fertilizers and seeds
2	Number of members involved (No.)	800	1250
3	Quantity procured (Quintal) of groundnut	7280	10340
4	Average procurement price (Rs/ quintal) of groundnut	4500	5200
5	Total procurement cost (Rs)	32760000	53768000
6	Other Costs	3531124	7974338

4	Total Expenditure in marketing including procurement cost (Rs) (5 + 6)	<b>36291124</b>	<b>61742338</b>
5	Average sale price (Rs/ quintal) of groundnut	4570	5230
	Sales Realisation (Rs) from groundnut	33269600	54078200
	Other income (viz. trading of paddy, margin in organic inputs and seed supply)	3656900	8200480
6	Total sales realisation (Rs)	<b>36926500</b>	<b>62278680</b>
7	<b>Total Income from the activity</b>	<b>635376</b>	<b>536342</b>

During the course of evolution of business line of the FPC, some new business activities were added on the basis of gradual increase in the capacity of the member farmers and the demand of products in the market. However, NGFPCL is still working on its original philosophy of benefitting the member farmers and to achieve the following broad objectives through its business operations:

1. To bring more and more farmers under the FPC fold so as to make the agricultural activity remunerative.
2. To promote organic cultivation or reduce dependence on inorganic inputs.
3. To make available quality bio fertilizers at reasonable prices.
4. To increase the farmers' income and thus improving the socio-economic well-being of the rural people.
5. To reduce the margin of the middleman in the value chain.
6. To make the farmers aware of various technical and financial support available from various agencies.
7. To help arrange credit support/ bank linkage for the farmers

DCUC, the POPI had provided support to NGFPCL through training and capacity building, registration of company under the relevant Act, assistance in development of linkages including arrangement of technical and financial assistance from various agencies.

NGFPCL being a producer company comprising of small and marginal farmers, the farmers need suitable linkage with the input companies, markets and technical and professional institutions to enable all round development of the farmers. Based on the experience gained through re-aligned business, requirements of the farmers, scope of product quality improvement through better input quality and value addition, NGFPCL has revised the business plan.

## 6. PRESENT BUSINESS OF NGFPCL

**1. Ground nut processing:** In order to improve upon the sales price by value addition in the form of grading, packing and branding, setting up of hand-picked, imported and selected Groundnut Processing Unit based on the raw material strength of West Bengal is envisaged in the project. The manufacturing unit can focus on cultivation, processing, packaging, export, etc.

**2. Input Service Activities:** NGFPCL is also linked with Agriculture Department, West Bengal Agriculture Marketing Department, Government of West Bengal and Sufal Bangla; registered with e-NAM, Government of India.

**3. Input Shop:** In 2018 the NGFPCL started a input shop within the seed shop for the benefit of the member farmers. A total of 600-700 shareholder members are getting regular supply of seeds and other inputs at a cheaper rate.

**4. Promotion of dairy and other allied businesses:** Groundnut selling is the major business activities of the FPC. More than 85% farmer cultivated ground nut in Rabi season. The FPC assesses the demand of groundnut in the targeted markets by doing the demand analysis of and plans for procurement of the same from the member farmers and sells them directly to the markets through identified marketing agencies. The FPC is also using the outlet as a marketing platform for business promotion wherein new value-added products are kept for demonstration and use by the other allied business activities including the dairy business.

**5. Bio-Fertilizers:** NGFPCL purchases bio-fertilizers from reputed manufacturers for sell to the shareholder farmer members. Bio fertilizer requirement is very high for groundnut cultivation. The farmers of this area utilized their land 2-3 times in a year, therefore, during 2020-22, the FPC decided to invest Rs. 5,00,000/- for the business. Main drawback of the farmers is that they cultivate in much unorganised way and unscientifically and they use chemical fertilizers. For this purpose, NGFPCL promoted the Bio-Fertilizer business, which will not only generate revenue for the FPC but also motivate the farmers for production and use of bio-fertilizers. Besides this, it will also improve the productivity of the land.

The company is also manufacturing and selling bio-fertilizers and plant nutrients under its own brand name Bio-Fit.

**6. Seed Business:** The company started seed business during 2018-19. They purchase certified paddy seed and groundnut seed from reputed company and sale among the member.

**7. Onion marketing business:** The company started in 2022 by purchase onions from Nasik and the sale in the local & state market.

**8. On-Line Marketing:** NGFPCL is selling its products online through its portal <http://nabajagaran.in/>

As evident from the above, the major business activity of NGFPCL is collection, aggregation and selling of raw groundnut pods for which the prices are usually determined by the market forces. During the last harvesting season, the selling price started at Rs 7,300/- per quintal in December 2021 and reached upto Rs 8,000/- per quintal in March 2022. NGFPCL has applied and received the Trade license, Seed license, Fertilizer license, GST registration.

## 7. FINANCIAL RESOURCES MANAGEMENT/ CREDIT LINKAGES

NGFPCL has been banking with Egra Branch of Canara Bank and Punjab National Bank. NGFPCL after its registration as company during 2017-18, approached Canara Bank for financial assistance but were not able to get any support.

NGFPCL on the basis of equity mobilisation from the shareholder members, received the matching equity grant assistance of Rs 11.00 lakh from SFAC. The FPC also got matching grant assistance of Rs 5.00 lakh from NABARD as Business Development Assistance (BDA) for setting up ground-nut processing unit. This not only strengthened the financial position of the company but also helped them to enhance their equity and working funds.

Working Capital Term Loan (WCTL) assistance of Rs 30.00 lakh at a rate of interest of 8.30 % p.a., repayable in one instalment after 12 months for its business activities was provided by NABKISAN during FY 2019-20. WCTL from NABKISAN was secured through the Guarantee from the Credit Guarantee Fund created by NABARD.

Later during 2020-21, Samunnati Financial Services, a NBFC involved in providing financial assistance to FPOs approached NGFPCL and provided working capital assistance of Rs 10,00,000/- at a rate of interest of 11 % p.a.

The WCTL assistance was reviewed and enhanced to Rs 60,00,000/- by NABKISAN during 2021-22.

NGFPCL has also been provided with the following infrastructure support by Department of Agricultural Marketing, Government of West Bengal within the premises of Egra Krishak Bazar:

1. Office space and meeting hall (Rent free)
2. 25 stalls (rented)
3. 02 marketing sheds

These infrastructures are provided by the Department of Agricultural Marketing, Government of West Bengal on the recommendation of Sufal Bangla. Sufal Bangla is an initiative of Government of West Bengal to help the farmer's get premium price and have rational share in consumer's price. Sufal Bangla is also providing Technology and Infrastructure based support to Farmer Groups and FPCs enrolled with it.

The primary processing facility created out of BDA received from NABARD is installed in the Marketing Shed of the Egra Krishak Bazar. The machinery includes 02 groundnut graders, a groundnut decorticator, a bag sewing machine and two DG Sets (13 HP and 08 HP capacities for operating groundnut graders).

## 8. TIE-UPS AND LINKAGES

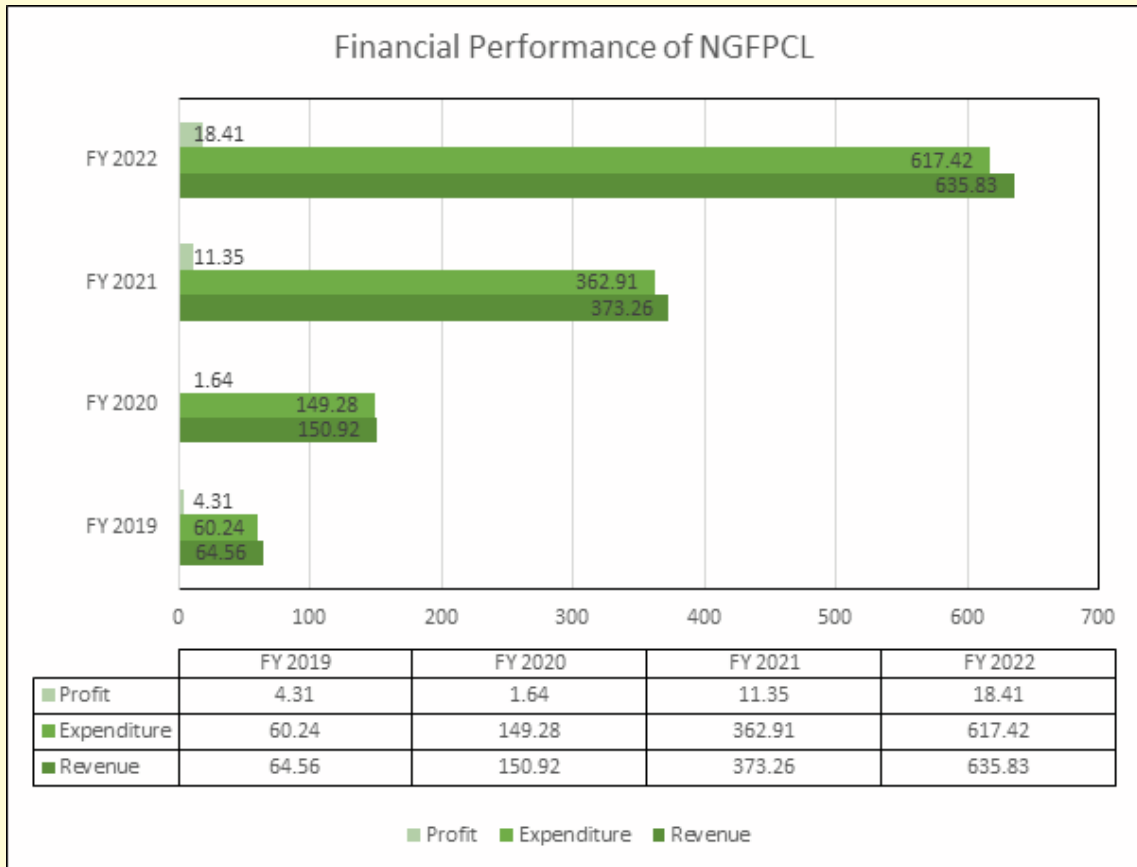
Although the initiative for promotion and registration of FPO commenced in the FY 2015, the actual business operations in a professional manner started only after the FPO got itself registered as a Farmer Producer Company (FPC) on 01 November 2017. During the course of its journey of four years before registration of the company, the NGFPCL had developed linkages and business tie-ups with various agencies, both in Government and Private sector, as under:

1. Department of Agriculture Marketing, Government of West Bengal – got allotment of Office space, marketing sheds and shops in Egra Krishak Bazar, Purba Medinipur.
2. Sufal Bangla Initiative of Government of West Bengal – enrolled for getting technology and infrastructure-based support.
3. NABARD – received promotional assistance under PRODUCE Fund of Government of India, Business Development Assistance under PODF and Guarantee from Credit Guarantee Fund to secure WCTL from NABKISAN.
4. SFAC, Government of India – received matching equity grant assistance.
5. NABKISAN – availed WCTL assistance.
6. Samunnati – availed working capital loan.
7. e-NAM – registered on National Agriculture Marketing initiative of Government of India for getting access to a countrywide agricultural marketing network.
8. Department of Civil Supplies, Government of West Bengal – as a procurement agency for paddy procurement.
9. Bidhan Chandra Krishi Viswavidyalaya, Kalyani – knowledge partner.
10. Krishi Vigyan Kendra, Purba Medinipur – knowledge partner.
11. Grant Thornton – knowledge support.
12. Tara Enterprises, Kolkata – supply of quality groundnut seeds.
13. Khan Enterprises, Kolkata – groundnut trader
14. Tirupati Inc., Bhubaneswar – groundnut trader
15. Netsaf Private Limited – supply of bio-fertilisers

## 9. FINANCIAL PERFORMANCE OF NGFPCL

A glimpse of financial performance of NGFPCL is as given below:

(amounts in Rs lakh)



However, the comparative analysis of the balance sheet, profit & loss account for last four years is presented in Annexure – I & II respectively and some major financial parameters and ratios are presented in Annexure – III.

## 10. BUSINESS PLAN OF NGFPCL FOR THE YEAR 2022-23

Sl. No.	Name of Activity	No of members to be involved	Expected Expenditure	Quantity of Input Required
1	Groundnut	1360	5,40,00,000.00	10800 quintal
2	Paddy	150	29,75,000.00	1750 quintal
3	Bio-fit	218	8,34,000.00	695 litre
4	Onion	35	3,33,000.00	3000 quintal
5	Seeds	275	6,84,000.00	120 quintal
			<b>5,88,26, 000.00</b>	

## **11. FUTURE PLAN OF NGFPCL**

Presently NGFPCL is selling the raw groundnut in bulk quantities in local areas, nearby towns, Kolkata and Odisha. NGFPCL is exploring the scope of moving up in the value chain through establishment of production capacity for peanut butter, extraction of groundnut oil and setting up a seed production unit. The activity is highly working capital intensive, NGFPCL has submitted a proposal to NABKISAN for Term Loan Assistance of Rs 1.59 crore for establishment of Groundnut processing under AIF.

FPO also needs to improve upon its sales margin on groundnut trading by way of value addition through processing (decortication), branding and packaging.

\*\*\*

## ANNEXURE - I

<b>Nabajagan Global Farmer Producer Company Limited, Purba Medinipur</b>				
				Amount in Rs.
Balance Sheet as on 31st March....				
Particulars	2022	2021	2020	2019
<b>LIABILITIES</b>				
<b>1. Shareholder's Fund</b>				
Share Capital	15,00,000	15,00,000	11,00,000	5,00,000
Reserves and surplus	36,66,103	18,24,600	6,89,223	5,25,090
<i>Total Shareholder's Fund</i>	<b>51,66,103</b>	<b>33,24,600</b>	<b>17,89,223</b>	<b>10,25,090</b>
<b>2. Non-Current Liabilities</b>				
Long -Term borrowings				
Other Long-Term Liabilities				
Long-Term provisions				
<i>Total Non-Current Liabilities</i>	Nil	Nil	Nil	Nil
<b>3. Current Liabilities and Provisions</b>				
Short-term borrowings	3,56,174	19,98,754		
Trades Payables				
Other current liabilities	41,500	35,500	32,500	22,500
Short-Term provisions				
<i>Total Current Liabilities &amp; Provisions</i>	<b>3,97,674</b>	<b>20,34,254</b>	<b>32,500</b>	<b>22,500</b>
<b>Total Liabilities</b>	<b>55,63,777</b>	<b>53,58,853</b>	<b>18,21,723</b>	<b>10,47,590</b>
<b>ASSETS</b>				
<b>1. Non-Current Assets</b>				
Property, Plant & Equipment				
Tangible assets	2,65,650	3,11,935	75,200	71,740
Intangible assets				
Capital work-in-progress				
Intangible assets under dev.				
Non-Current Investment	12,47,187	3,47,187	3,47,187	
Long-term loans and advances				
Other Non-current Assets				34,992
<i>Total non-current assets</i>	<b>15,12,837</b>	<b>6,59,122</b>	<b>4,22,387</b>	<b>1,06,732</b>
<b>2. Current Assets</b>				
Current Investments				
Inventories	83,322	31,46,664	3,61,935	5,78,000
Trade Receivable	18,57,224	12,56,000	5,86,400	
Cash and Cash Equivalents	21,10,394	2,97,067	4,51,001	3,62,858
Other current assets				
<i>Total current assets</i>	<b>40,50,940</b>	<b>46,99,731</b>	<b>13,99,336</b>	<b>940858</b>
<b>Total Assets</b>	<b>55,63,777</b>	<b>53,58,853</b>	<b>18,21,723</b>	<b>10,47,590</b>

## ANNEXURE - II

<b>Nabajagan Global Farmer Producer Company Limited, Purba Medinipur</b>				
				Amount in Rs.
Profit and Loss Statement for the year				
Particulars	2021-22	2020-21	2019-20	2018-19
I. Revenue				
Revenue from operations	6,22,78,680	3,69,26,500	1,50,92,406	64,56,250
Other Income	13,05,161	5,00,000		
<i>Total Revenue</i>	<b>6,35,83,841</b>	<b>3,74,26,500</b>	<b>1,50,92,406</b>	<b>64,56,250</b>
II. Expenses				
Cost of material consumed				
Purchases	5,75,38,745	3,69,65,443	1,37,17,034	52,25,000
Changes in inventories of finished goods and WIP and Stock in Trade	30,63,342	-27,84,729	2,16,065	-3,25,688
Employee benefits expenses	1,52,460	2,55,725	2,36,300	1,08,000
Other Expenses	8,70,378	13,93,348	7,58,874	10,17,487
<i>Total Expenses</i>	<b>6,16,24,925</b>	<b>3,58,29,787</b>	<b>1,49,28,273</b>	<b>60,24,799</b>
III. Earning before Interest, Tax, depreciation and amortization expenses (EBIDTA)	<b>19,58,916</b>	<b>15,96,713</b>	<b>1,64,133</b>	<b>4,31,451</b>
Depreciation and amortisation Expenses	1,12,032	65,754	0	0
IV. Operating Profit	<b>18,46,884</b>	<b>15,30,959</b>	<b>1,64,133</b>	<b>4,31,451</b>
Other Income				
Exceptional Items				
V. Profit before Interest and Tax (PBIT)	<b>18,46,884</b>	<b>15,30,959</b>	<b>1,64,133</b>	<b>4,31,451</b>
Finance Cost	5,373	3,95,582	0	0
VI. Profit before tax	<b>18,41,511</b>	<b>11,35,377</b>	<b>1,64,133</b>	<b>4,31,451</b>
Tax Expenses	0	0	0	0
VII. Profit (Loss) for the period (PAT)	<b>18,41,511</b>	<b>11,35,377</b>	<b>1,64,133</b>	<b>4,31,451</b>

## ANNEXURE - III

<b>Nabajagaran Global Farmer Producer Company Limited, Purba Medinipur</b>				
‘(Amount in Rs lakh)				
Important financial parameters and financial ratios based on the balance sheet and profit and loss account				
Details	Result			Formula
	2021	2020	2019	
Net Sales	6,35,83,841	3,74,26,500	1,50,92,406	Total Sales - Sales Return
Cost of Goods Sold	6,07,54,547	3,44,36,439	1,41,69,399	Opening Stock + Purchases + Carriage + Wages + Other direct charges - Closing Stock
Operating Expenses	9,82,410	14,59,102	7,58,874	Office Expenses + Selling & Distribution Expenses + Depreciation
Net Working Capital	36,53,266	26,65,477	13,66,836	Current Assets - Current Liabilities
Average working capital	31,59,372	20,16,157	11,42,597	(Opening Working Capital + Closing Working Capital) ÷ 2
Average Stock	16,14,993	17,54,300	4,69,968	(Opening Stock + Closing Stock) ÷ 2
Average Fixed Asset	2,88,793	1,93,568	73,470	(Opening Fixed Asset + Closing Fixed Asset) ÷ 2
Average Debtor	15,56,612	9,21,200	2,93,200	(Opening Debtor + Closing Debtor) ÷ 2
Average Creditor	0	0	0	(Opening Creditor + Closing Creditor) ÷ 2
Gross Profit Ratio	4.66%	8.68%	6.51%	(Net Sales - COGS) ÷ Net Sales
Operating Ratio	97.10%	95.91%	98.91%	(COGS + Operating Expenses) ÷ Net Sales
Operating Profit Ratio	2.90%	3.03%	1.09%	Operating Profit (PBIT) ÷ Net Sales
Net Profit Ratio	2.90%	3.03%	1.09%	Profit after Tax ÷ Net Sales
Return on Capital Employed (ROCE)	43.50%	59.88%	11.66%	EBIT ÷ Average Capital Employed
Return on Equity	35.65%	34.15%	9.17%	PAT ÷ Equity
Cost of Goods Sold to Sales Ratio	95.55%	92.01%	93.88%	Manufacturing Cost ÷ Net Sales
Net working capital to Sales Ratio	2013%	1856%	1321%	Net sales ÷ ((Beginning working capital + Ending working capital) ÷ 2)
Current Ratio	10.19	2.31	43.06	Current Asset ÷ Current liabilities

Quick Ratio	9.98	0.76	31.92	$(\text{Current Asset} - \text{Inventories}) \div \text{Current Liabilities}$
Fixed Asset Turnover Ratio	220.17	193.35	205.42	$\text{Net Sales} \div ((\text{Beginning Net Block of Fixed Asset} + \text{Ending Net Block of Fixed Asset}) \div 2)$
Inventory Turnover Ratio	37.62	19.63	30.15	$\text{Cost of Goods Sold} \div ((\text{Beginning Inventory} + \text{Ending Inventory}) \div 2)$
Account Receivable (Debtor) Turnover Ratio (Assume 80% credit sales)	32.68	32.50	41.18	$\text{Net Credit Sales} \div ((\text{Beginning Debtor} + \text{Ending Debtor}) \div 2)$
Days Sales of Inventory	9.70	18.59	12.11	$\text{No of Days in a Year} \div \text{Inventory Turnover Ratio}$
Receivable Days	11.17	11.23	8.86	$\text{No of Days in a Year} \div \text{Account Receivable Turnover Ratio}$
Debt / Equity Ratio	0.00	0.00	0.00	$\text{Total Long Term Debt} / \text{Share Holders Fund}$
Proprietary Ratio	92.85%	62.04%	98.22%	$\text{Shareholder's Fund} / \text{Total Assets}$

# Notes





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