

CHAPTER – VI

CONCLUSIONS AND SUGGESTIONS

Yashawant cooperative sugar factory is the most important factory in the semi drought area. It was established by late Sampatro Mane. In the each seven years, cane was easily available for factory and it was also financially in benefit. During 1990, there was shortage of sugarcane in the operational area and it could not get enough cane so normally factory dipped into the unprofitable due to there several reasons.

After 1991, the number of factories emerged around the Khanapur teshil. For example in Atpadi, Manganga Cooperative Sugar Factory, in Kadegaon, Sonhira Sugar Factory and Dongarai Cooperative Sugar Factory. As a result of these, there lot of competition started among the factories for getting sugar cane from the operational area, so that Yashawant Cooperative Sugar Factory could not get enough sugarcane for the crushing. Besides this sugar cane rate could not raised so farmer decreased production of cane. There was frequently drought situation in the factories' operational area, so lack of irrigation facility and sugar cane also needs water largely, so that farmer turned to those crops which were cultivated on limited water. The duration of these crops was also short in this manner sugarcane production constantly decreased in operational area. The expense of transporting outside the operational area was costly and much competition was among the factories. That's why crushing season of the factory could not run for long.

Due to the financially mismanagement, factory took a large amount of debt for short term and for the working capital. Consequently, after 1990-91 the expenses on interest was always increasing from year 1991-92 at 1995-96.

During this period the share of expenses of the interest was 50percent out of total expenses. The expenses on salary, wages was increasing highly.

Due to this several reasons the expenses of the factory increased on large extent. In contrast of selling price didn't sour of that quantity. The production cost of factory was greater than selling cost of sugar so that factory was pushed in to losses. Getting income through selling of sugar was the main income of factory but it is less

than expenses. Due to lack of production there is no any income source. As a result of this factory went in the big losses.

CONCLUSIONS:

1. Average cost of sugar production was higher than the average price of sugar.
2. Availability of sugarcane in the operational area of factory is inadequate.
3. Factory used to carry sugarcane from out of operational area for crushing.
4. Factory is taking competition for getting sugarcane from out of operational area.
5. Factory spent big amount on sugarcane cutting and transportation because sugarcane carried from out of operational area.
6. Recovery of sugarcane is low due to sugarcane carried from out of operational area.
7. Due to inadequate availability of sugarcane crushing period of factory is short.
8. Due to long distance of transportation the factory spent extra amount on transportation
9. Factory took big loan for long term and working capital.
10. Factory has been paid big amount on interest of all loans.
11. The expenditure on interest grows gradually and finally during the period under study it was more than 50 percent of total expenditure.
12. There is constant rise in the payment of wages and salary of laborers and employees of factory.
13. Out of total expenditure up to 30 percent amount was spent on salaries and wages.
14. The factory has been spent a big amount on function, party and hospitalities of guests during the period under study.
15. In the factory laborers and many employees in various departments were found lazy.
16. The laborers and employees were not given proper training. Consequently they do not work very hardly and efficiently.
17. Some laborers are used to come on their duty lately or some times remain absent or go on leave without any reason.
18. Lack of irrigation facilities sugarcane production and area under cultivation in the operational area has been decreased.

19. In recent ten years factory has been faced drought for 2 to 3 times in operational area. Consequently, the available of sugarcane was used for cattle feed.
20. There is non existence of the unit like wine industry, paper industry or electricity plant etc which is run by the factory under study.
21. There is existence of political interference in the management and policy decisions of the factory.

SUGGESTIONS:

Considering the above mentioned conclusion the researcher suggests the following suggestions for improvement of the factory under study.

1. Factory should try to the increase the sugarcane cultivation under operational area.
2. Members should be given the fixed and reasonable rate for sugarcane by the Government so that they will get inspiration for more sugarcane cultivation.
3. Factory should increase the irrigational facilities by taking the help from people and the Government.
4. The producers of sugarcane should be produced latest techniques and frequent guidance so that sugarcane production will be increased in the operational area.
5. The sugarcane producers should be provided the material on a fixed and affordable rate.
6. Sugarcane bills should be given in time to the sugarcane producer.
7. The factory should appoint a committee for making suggestions for increasing the operational area and sugar production.
8. The factory should use efficient transportation facilities for transporting sugarcane.
9. Sugar cane should be transported the factory within the 24 hours after cutting the cane in the operational area, so sugar recovery will be better.
10. Tembu scheme is for the irrigation in the operational area but its construction remains uncompleted. If this scheme is completed availability of water will be increased. And area under cultivation of sugarcane will be increases.
11. Workers should be trained again for increasing their efficiency.
12. Workers should be given salary on their productivity.

13. The quantity of works specially temporary and permanent should be limited.
14. Workers those don't work efficiently, they should be trained.
15. The factory should avoid taking debt for the working capital.
16. The factory should take debt from these banks that their interests are low.
17. The factory spending too much money, on interest payment so that to increase the share capital shares should be sold and fund be raised.
18. The factory should take help from NABARD (National Bank for Agricultural and Rural Development) for debt.
19. The production cost is greater than the selling price to improve this situations the factory should try to lower the production cost.
20. Factory should bring control over the expenses of officers on travelling for meetings, etc.
21. Factory should established new project like producing electricity from molasses, paper production from baggas. For the establishment of such projects the factory should take help from government and take debt from the banks which will change low rate of interest. Besides that capital should be collected by selling new shares.
22. Board of director should not interfere politically in the management of factory.

In this manner if the factory implement these suggestion the factory will come out of the present sickness.