

CHAPTER - V

CONCLUSION AND SUGGESTION

1. Factory is not able to meet its current obligations because credit strength of factory is not good due to the shortage of working capital.

- In such cases factory is to bring more funds and thereby increase the tangible assets. If the factory could not find additional capital, the sales should necessarily be reduced and impose strict credit control and pay more attention to the collection of debts.

2. So long as factory is not able to get satisfactory profit proportionate to the volume of sales and the profits are not sufficient for a reasonable return on capital invested in the business.

- Factory should reduced its capital or intengible assets should be increased.

3. Factory is rely upon creditors funds which is always weakness of the factory.

- Investments in fixed asset should be maintioned as low as possible, and factory should retain substaintial part profit by way of reserves to increase its tangible worth.

4. There is low percentage of gross profit shows that there is an increase in the cost of goods sold without corresponding increase sales.

- Factory should reduce the cost of good sold and sales should be increased and also should reduce the operating expenses.

5. In every year factory has not used its production capacity at ful, only near 75% capacity has been used. It results in more operating expenses and low use of capacity.

- Factory should use its production capacity as high as possible

- Factory should provide incentives to the sugarcane producer to produce more sugarcane and also should provide pesticides, new seeds of sugarcane. And also factory should promote the members to establish lift irrigation scheme.

6. Factory had not any plant to produce by-products of its own from bagasse and molasses.

- Factory should arrange plant to produce Alcohol from molasses and other by-products from bagasse like. Pith, Selulose, Ethelon and Lignin filter cake.

- Factory should plant for electric power. One factory of which crushing capacity is 2500 tonnes per day can produce 78 magavet electric power.