

CHAPTER V

FINDINGS

CONCLUSIONS

AND

SUGGESTATIONS

FINDINGS AND CONCLUSIONS :

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- 1) For M.S.S.K. there is increase in "A" class (cane producing) members which indicates sufficient growth of share capital.
 - 2) Average Sugarcane production in zonal area is fluctuating in the range 52.4 ton/hectare to 42 ton/hectare. In the year 88-89 it was 52.4 ton per hectare while in 92-93 it is reduced to 42 ton per hectare in the year.
 - 3) The average recovery for sugar is 11.09 percent (11.09%) which means that after crushing 1000 M.T. sugarcane M.S.S.K. is getting 110.9 kg of sugar.
 - 4) There is increase in purchasing price for sugarcane which is profitable for farmers.
 - 5) In the year 92-93 there is considerable increase in production cost.
 - 6) There is increase in selling price of sugar however M.S.S.K. is not having total control on the determination of selling price of sugar.
 - 7) Sales of sugar is more in the year 91-92. In the year 92-93 though the sale of sugar in quantity is less than 91-92, M.S.S.K. is getting more sales revenue more sales revenue is due to increase in selling price of sugar.
 - 8) The finished stock inventory for sugar has occupied major proportion in the total sales. These proportions of stock in total sales is between range from 37 percent to 55 percent.
 - 9) The production of sugar in M.S.S.K. is fluctuating.
 - 10) Maximum sales revenue is lost in the year 87-88, 89-90, 91-92 due to unused capacity of crushing.
 - 11) Because of the increase in gate-cane (cane from out of zonal area) there is increase in transportation cost.

CONCLUSIONS :

- 1) As the share capital from A class members is increasing M.S.S.K. is becoming financially sound.
- 2) More than 60 percent sugarcane is brought from out of zonal area which increases transportation cost for the transportation of sugarcane from out of zonal area, more time is consumed which results in the reduction in recovery as well as quality of sugar.
- 3) For the proportion of working zone sugarcane to the total sugarcane crushed, the regression line by least square method is not fitting.
- 4) There is increase in production cost particularly in the year 92-93 due to increase in the cost of infrastructural facility as power, water etc.
- 5) The price for levy sugar and sugar in open market is having rising trend.
- 6) M.S.S.K. is having very high finished stock inventory but the management is helpless in respect of sugar stock as Government of India plays important role for the selling of sugar, price fixation etc.
- 7) Sugar production of M.S.S.K is fluctuating according to the availability of sugarcane.
- 8) Due to insufficient supply of sugarcane from working zone area the quantity of gate-cane (cane from out of zonal area) is increasing. Hence M.S.S.K. is paying high transportation cost for procuring the gatecane from wherever it is available.

SUGGESTIONS :

To increase the sugarcane from working zone area M.S.S.K should have extensive efforts for motivating the farmers for sugarcane cultivation for this purpose the factory should again provide the facilities such as giving aids for excavation of wells, tube-wells, pipelines, fertilizers, good-quality and newly invented cane-seeds.

The farmers in zonal area are facing the problem of lack of underground water. For raising the underground water table M.S.S.K. should carry out the activities like levelling of the land providing facility for small percolation tank etc.

After the successful implementation of these efforts M.S.S.K. will find somewhat similar values which are predicted for the area under sugarcane cultivation with the help of regression analysis. These efforts are also the preventive measures for the reduction of sugarcane yield from working zone area.

The technique of statistical quality control suggests the maximum crushing capacity level per day as 2236 ton/day for the recovery the control chart technique suggests the maximum level of recovery as 12.79 percent, while if the recovery falls down to 9.40 the process should be checked as there is possibility of assignable causes which can be corrected.

The purchasing price of sugarcane should be determined in such a way that it will motivate the farmers particularly out of zonal area to give their sugarcane to M.S.S.K. rather than the other factories farmers from zonal area will also get benefits of comparatively more price given by M.S.S.K. for their sugarcane.

One of the causes for the reduction of profits of M.S.S.K. is high transportation cost. Hence M.S.S.K. should try to purchase the sugarcane from nearby vullages from out of zonal area.

Though the profits are less for M.S.S.K. the trend for sugar production is increasing. The forecasted values for sugar production will be helpful for further decision-making.

As for as capacity utilization is concerned the average idle capacity for crushing (or average unused hours for crushing) is 304.87 hours. M.S.S.K. should try to minimise this idle capacity up to 132.43 hours by taking preventive measures like maintainance of rectifying the manufacturing ,process,providing continuous supply of sugarcane etc.

As M.S.S.K. is facing the problem of high transportation cost,a suitable transportation plan is suggested with the help of quantitative techniques which is as follows.

DIVISION	SUGARCANE TO BE IN M.T.	TRANSPORTED
ATHANI	40,000	
JAT	45,000	
SANGOLA	1,400	
TASGAON-ATPADI	9,000	
PANDHARPUR	36,000	
MANGALVEDHA		
MIRAJ-KOLHAPUR	23,600	

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