

Profile of the Factory

3.1. History of the Factory :

Karad town a progressive taluka place in Satara district of Maharashtra. The population of Karad taluka is 3.5 lakh. according to 2001 census. Hence sufficient human resources are available in taluka. There are 166 villages in Karad taluka.

The founder and the chief developers of this factory that is 'Vilasraoji Patil' is the person who gives priorities for development of the rural development. He is the only person who gets lots of efforts for development of this factory. The area of southern Karad is very undeveloped. For the development of this area 'Vilasraoji Patil' get one decision to established sugar factory. And he does his momentum very fast and just within two to three years he sanctioned his first priority that is Rayat Sahakari Sakhar Karkhana Ltd., Shewalewadi (Masoli), Tal.Karad, Dist.Satara.

Initially the location was at Kolewadi but it has changed and Shewalewadi (Masoli) is fixed for establishment. It was perfect location for the factory but due to legal restrictions that is the distance between to sugar factories must have more than 27 km. and that's happen, the complet it or sugar factory that is Krishna Sahakari Sakhar Karkhana has not more than 27 km. from Kolewadi.

Ref. : Annual Reports of the factory

So now this factory has established at Shewalewadi (Masoli), which is also more superior place for sugar factory project.

This factory has permitted it's a first legal permission 27th July, 1996. It has get it's permanent register number which is (S.A.T./K.R.D./P.R.G.(A) S-66).

The Karad Taluka has big agricultural area. The main crop is sugarcane because of two rivers are available that is Krishna and Koyana. Which are sufficient to supply adequate water to sugarcane. The Karad city comes under rural area hence Maharashtra Industrial Development Corporation gives more facilities to establish industries near to Karad. Hence employment opportunities are available in Karad Taluka. The qualitative land is available for agricultural. There is a good facility of electricity from Maharashtra State Electricity Board to factories and other infrastructure.

Due to adequate supply of water, availability of raw material, electricity power, human resources and capital the Rayat Sahakari Sakhar Karkhana gets accurate location at Shewalewadi (Masoli), Taluke Karad, Dist.Satara.

Ref. : Annual Reports of the factory

3.2. Production capacity of factory :

The production capacity of the factory is 2500 Metric Tonnes per day. This can be divided into three shifts.

3.3. Working Areas of Factory :

85 villages are involved in working area of the factory. It has area for collecting sugarcane or it has authorized area for its movements are

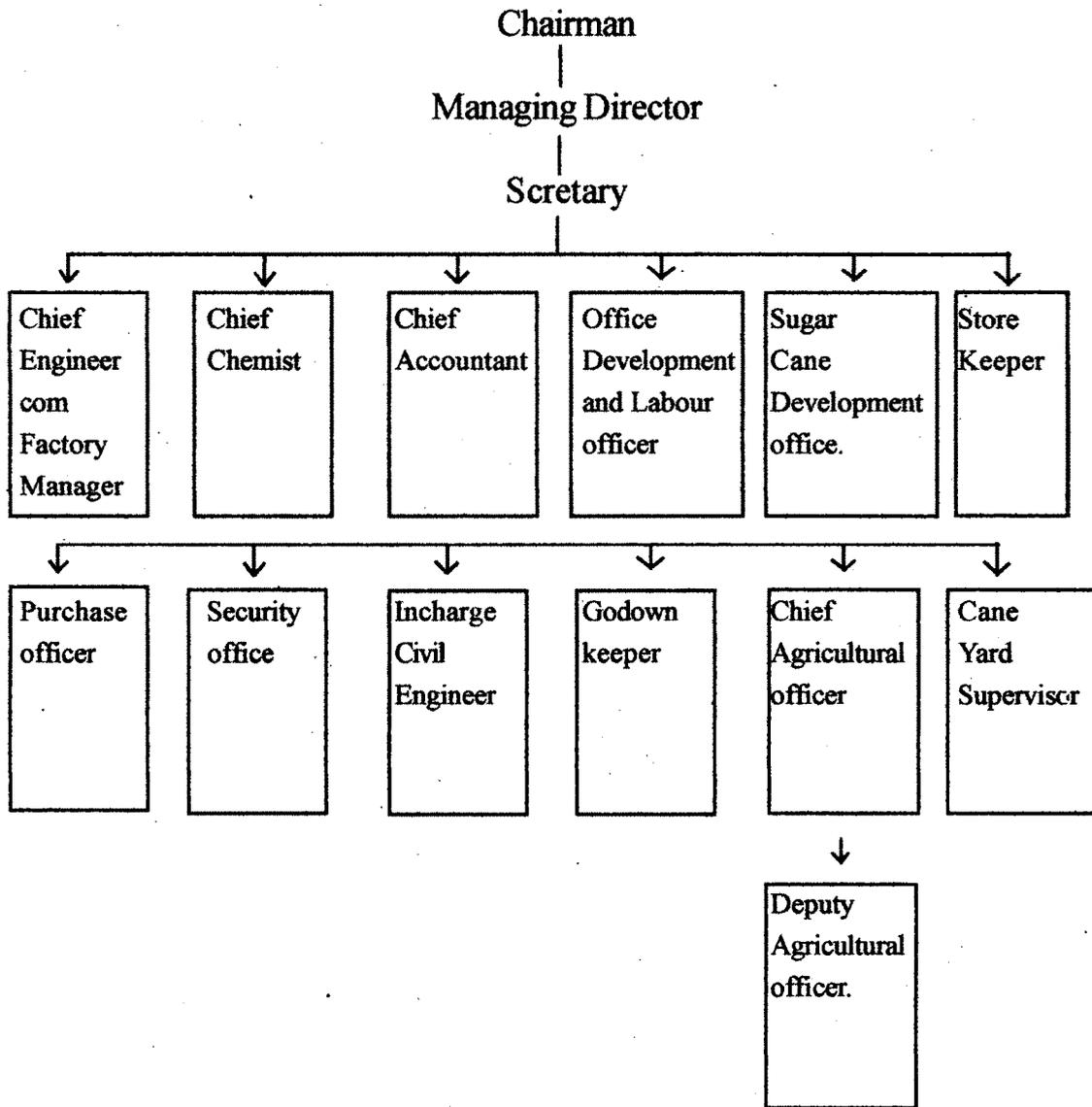
- a) Karad Taluka - 66 villages
- b) Patan Taluka - 19 villages

3.4. Organization Setup :

In organization setup involves various department of the factory, list of directors and shareholders.

Ref. : Annual Reports of the factory.

Organizational Structure :



Ref. : Main Office, of Rayat Sahakari Sakhar Karkhana Ltd., Shewalewadi
(Masoli), Tal-Karad, Dist-Satara.

3.6. List of Promoters and Directors :

Promoter	:	Shri.Vilasraoji Balkrushna Patil
Chairman	:	Shri. Jaysing Balkrushna Patil
Directors	:	Shri. Parshram Bandu Shinde Shri.Raghunath Bhikojirao Thorat Shri. Pandurang Ganpati Patil Shri. Vilasrao Baburao Patil Shri. Aappasaheb Vishnu Garud Shri. Govindrao Vamanrao Deshmukh Shri. Raghunath Maruti Chavan Shri.Shivajirao Chandru Gaikwad Shri.Shripati Aaba Veer Shri. Bhagawanrao Vitthalrao Patil Shri.Sambhajirao Ramrao Kale Shri.Dinkarrao Laxman Savant Shri.Shantaram Shankarrao Nawalika Shri.Vishnu Anna Galande Mrs.Sunanda Ramrao Shinde Mrs.Rajnanda Lalaso Deshmukh Shri. Udaysinh Vilasrao Patil Shri.Nilesh /Balasaheb V. Sarnaiak Shri. Nandkumar Mansing Katkar Shri.Dinesh L.Oualkar Shri.Rajendra Nanasaheb Yadav

Ref. : Annual Reports of the factory

3.7 Shareholders of the factory according to category

Table 3.1

Table Showing numbers of shareholders according to category

Sr.No.	Category	No. of share holders	No. of shares
1.	Individual Producer	11,162	12,423
2.	Institutional	44	407
3.	Maharashtra State Government.	01	28,220
	Total	11,207	41,050

Ref. : Annual Reports of the factory.

Chapter No. 4. Analysis and Interpretatin of data

Chapter No.	Title	Page No.
4.0	Analysis & Interpretation of Data	59
4.a	Working capital employed	61
4.b	Percentage wise current assets and current liabilities	66
4.c	Working capital ratio	68
4.d	Sources of working capital	80
4.e	Statement of changes in working capital	82

4.0. Analysis & Interpretation of Data

In this chapter working capital management of the factory has been analyzed and interpreted by the researcher under the following heading.

- 4.a Working capital employed
- 4.b Working capital ratio
- 4.c Statement of changes in working capital

4.a. Working Capital Employed :

Table No. 4.1

Table showing working capital employed in the year 2001-2002.

Particulars	Rs.	Percentage
A) Current Assets :		
Cash in Hand	1,723	4.65
Cash at Bank	86,62,079	
Advances	1,12,68,946	6.05
Deposits	14,23,620	0.76
Debtors	2,00,00,000	10.74
Stock :		
Store & Spares	60,29,223	3.24
Sugar & Sub-products	13,83,79,660	74.30
Prepaid Insurance	4,69,139	0.26
Total (A)	18,62,34,390	100.00
B) Current Liabilities :		
Loans –I	10,75,41,360	66.21
Loans	27,10,000	1.67
Creditors	4,11,94,468	25.36
Current Provisions	1,09,85,354	6.76
Total (B)	16,24,31,182	100.00
Net working capital (A – B)	2,38,03,208	

Sources : Annual Reports of the factory

Table number 4.1 indicates the working capital employed in the year 2001-2002. In this year, maximum portion of current assets is blocked up in stock of sugar & sub-products because the amount and percentage of stock of sugar & sub-products is higher than other current assets i.e. Rs.13,83,79,660 and 74.30 rspt. The amount and percentage of prepaid insurance is less than other current assets i.e. Rs.4,69,139 and 0.26 rspt. In current liabilities, the amount and percentage of loan-I is higher than other current liabilities. The

amount and percentage of loan is less than other current liabilities i.e. Rs.27,10,000 and 1.67 rspt.

Table No 4.2

Table showing working capital employed in the year 2002-2003.

Particulars	Rs.	Percentage
A) Current Assets :		
Cash in Hand	59,247	0.83
Cash at Bank	43,80,000	
Advances	1,75,37,342	3.26
Deposits	13,43,414	0.25
Debtors	2,00,37,136	3.72
Stock :		
Store & Spares	99,20,652	1.84
Sugar & Sub-products	48,40,62,260	89.98
Prepaid Insurance	6,17,098	0.12
Total (A)	53,79,57,755	100.00
B) Current Liabilities :		
Loans -I	30,31,82,915	62.68
Loans	3,06,00,000	6.33
Creditors	13,93,04,026	28.79
Current Provisions	1,06,41,286	2.20
Total (B)	48,37,28,227	100.00
Net working capital (A – B)	5,42,29,528	

Sources : Annual Reports of the factory

Table number 4.2 shows the working capital employed in the year 2002-2003. The amount and percentage of cash in hand, cash at bank, deposits and prepaid insurance are less than other current assets i.e. Rs.59,247, Rs.43,80,000, Rs.13,43,414 and Rs.6,17,098 and 0.83, 0.25 and 0.12 rspt. The amount and percentage of stock of sugar & sub-products is higher than other current assets i.e. Rs.48,40,62,260 and 89.98 rspt. In current liabilities, the amount and percentage of loans and current provisions are less than other current liabilities i.e. Rs.3,06,00,000, Rs.1,06,41,286 and 6.33 & 2.20

rspt. The amount and percentage of loans-I is higher than other current liabilities i.e. Rs.30,31,82,915 and 62.68 rspt.

Table No. 4.3

Table showing working capital employed in the year 2003-2004.

Particulars	Rs.	Percentage
A) Current Assets :		
Cash in Hand	80,107	2.63
Cash at Bank	93,97,403	
Advances	1,91,73,439	5.32
Deposits	13,93,450	0.39
Debtors	80,38,410	2.23
Stock :		
Store & Spares	1,04,91,602	2.91
Sugar & Sub-products	31,14,43,588	86.38
Prepaid Insurance	5,37,661	0.14
Total (A)	36,05,55,687	100.00
B) Current Liabilities :		
Loans -I	24,12,07,161	65.20
Loans	3,06,00,000	8.27
Creditors	7,72,20,034	20.87
Current Provisions	2,09,41,486	5.66
Total (B)	36,99,68,681	100.00
Net working capital (A – B)	- 94,12,994	

Sources : Annual Reports of the factory

Table number 4.3 shows the working capital employed in the year 2003-2004. In this year net working capital is negative by Rs.94,12,994 because total amount of current liabilities is higher than total of current assets i.e. Rs.36,99,68,681 and Rs.36,05,55,687 rspt. Table indicates maximum portion of current assets is blocked up in stock of sugar & sub-products because the amount and percentage of stock of sugar & sub-products is higher than other current assets i.e. Rs.31,14,43,588 and 86.38 rspt. The amount and percentage of prepaid insurance is less than other current assets i.e. Rs.5,37,661 and 0.14 rspt. In current liabilities, the amount and

percentage of loan-I is higher than other current liabilities i.e. Rs.24,12,07,161 and 65.20 rspt. The amount and percentage of current provisions is less than other current liabilities i.e. Rs.2,09,41,486 and 5.66 rspt.

Table No. 4.4

Table showing working capital employed in the year 2004-2005.

Particulars	Rs.	Percentage
A) Current Assets :		
Cash in Hand	61,177	4.26
Cash at Bank	1,09,59,609	
Advances	2,50,98,112	9.70
Deposits	15,89,511	0.62
Debtors	50,29,293	1.94
Stock :		
Store & Spares	1,03,16,733	3.99
Sugar & Sub-products	20,49,19,613	79.23
Prepaid Insurance	6,78,386	0.26
Total (A)	25,86,52,434	100.00
B) Current Liabilities :		
Loans	2,90,70,000	24.81
Creditors	5,35,23,951	45.69
Current Provisions	3,45,63,437	29.50
Total (B)	11,71,57,437	100.00
Net working capital (A – B)	14,14,94,997	

Sources : Annual Reports of the factory

Table number 4.4 indicates the working capital employed in the year 2004-2005. The amount and percentage of sugar & sub-products is higher than other current assets i.e. Rs.20,49,19,613 and 79.23 rspt. The amount and percentage of cash in hand, cash at bank, deposits and prepaid insurance are less than other current sets i.e. Rs.61,177, Rs.1,09,59,609, Rs.15,89,511, Rs.6,78,386 and 4.26, 0.62 and 0.26 rspt. In current liabilities, the amount and percentage of creditors is higher than other current liabilities i.e. Rs.5,35,23,951 and 45.69 rspt.

Table No. 4.5**Table showing working capital employed in the year 2005-2006.**

Particulars	Rs.	Percentage
A) Current Assets :		
Cash in Hand	68,380	1.00
Cash at Bank	48,00,127	
Advances	2,57,24,514	5.30
Deposits	26,67,546	0.56
Debtors	61,05,086	1.26
Stock :		
Store & Spares	1,20,67,683	2.49
Sugar & Sub-products	43,20,84,555	89.18
Prepaid Insurance	10,05,201	0.21
Total (A)	48,45,23,092	100.00
B) Current Liabilities :		
Loans -I	29,07,08,346	62.28
Loans	6,48,56,898	13.90
Creditors	10,56,67,732	22.64
Current Provisions	55,26,324	1.18
Total (B)	46,67,59,300	100.00
Net working capital (A – B)	1,77,63,792	

Sources : Annual Reports of the factory

Table number 4.5 shows the working capital employed in the year 2005-2006. The amount and percentage of cash in hand, cash at bank deposits, debtors and prepaid insurance are less than other current assets i.e. Rs.68,380, Rs.48,127, Rs.26,67,546, Rs.61,05,086, Rs.10,05,201 and 1.0, 0.56, 1.26 and 0.21 rspt. The amount and percentage of stock of sugar & sub-products is higher than other current assets i.e. Rs.43,20,84,555 and 89.18 rspt. In current liabilities, the amount and percentage of loans-I is higher than other current liabilities i.e. Rs.29,07,08,346 and 62.28 rspt. The amount and percentage of current provisions is less than other current liabilities i.e. Rs.55,26,324 and 1.18 rspt.

4.b. Percentage wise current assets and current liabilities

Table No. 4.6

Table showing percentage wise current assets and current liabilities for the period 2002 to 2006.

Particulars	2002	2003	2004	2005	2006
A) Current Assets					
Cash in Hand	4.64	0.83	2.63	4.26	1.00
Cash at Bank					
Advances	6.05	3.26	5.32	9.70	5.30
Deposits	0.76	0.25	0.39	0.62	0.56
Debtors	10.74	3.72	2.23	1.94	1.26
Stock :					
Store & Spares	3.24	1.84	2.91	3.99	2.49
Sugar & Sub-products	74.30	89.98	86.38	79.23	89.18
Prepaid Insurance	0.26	0.12	0.14	0.26	0.21
Total (A)	100.00	100.00	100.00	100.00	100.00
B) Current Liabilities :					
Loans – I	66.21	62.68	65.20	24.81	62.28
Loans	1.67	6.33	8.27	-	13.90
Creditors	25.36	28.79	20.87	45.69	22.64
Current Provisions	6.76	2.20	5.66	29.50	1.18
Total (B)	100.00	100.00	100.00	100.00	100.00

Sources : Annual Reports of the factory

Table number 4.6 shows the percentage wise current assets and current liabilities for the period 2002 to 2006. The table indicates the percentages of sugar & sub-products increase from 74.30 in 2002 to 89.98 in 2003. It highly decreased from 86.38 in 2004 to 79.23 in 2005. The percentage of prepaid insurance is lower than other percentage of current assets i.e. 0.26, 0.12, 0.14, 0.26 and 0.21. The table shows the percentage of loan-I decrease from 66.21 in 2002 to 62.68 in 2003. It highly increased from 24.81 in 2005 to 62.28 in 2006. The table indicates the percentage of current provisions increase from 2.20 in 2003 to 29.50 in 2005. It highly decreased from 6.76 in 2002 to 2.20 in 2003. However, there is no proper relation between increase or decrease in percentage of current assets and current liabilities.