

CHAPTER - IV
FINANCIAL MANAGEMENT OF
JAGGERY
PRODUCTION

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CHAPTER- IV

FINANCIAL MANAGEMENT OF JAGGERY PRODUCTION UNITS

4.1 Introduction:

In this chapter, the researcher would like to cover the analysis of issue related to “FINANCIAL MANAGEMENT OF JAGGERY PRODUCTION UNITS: A STUDY OF SELECTED UNITS IN KARVEER TALUKA”.

The present study includes the financial management of Jaggery production units in Karveer Taluka in Kolhapur District where the analysis and interpretation have been made in terms of- average income, investment, return on investment, profit average cost of deposits, own funds, borrowing of the bank, gross margin, average working capital, yield on assets, cost of management, business turnover etc. Jaggery production units play a very vital role in development of rural economy. Considering the role and development of Jaggery production units, it's become necessary to financial management. For any organization, to achieve its basic objectives of profit making, growth and stability, it is necessary to apply principles and techniques of financial management.

The financial management covers management flow of funds and its deals with the financial decision-making. Financial management is primarily concerned with acquisition, financing and management of assets of business concern in order to maximize the wealth of the firm¹. The data collected from 57 Jaggery production units in Karveer Taluka, have been processed, analyzed and presented in tabulation. In the first section of this chapter the demography of simply has been analyzed.

Table 4.1
Classification based on Education

Education	Frequency	Percentage
1-4	01	1.75%
5-7	10	17.54%
8-10	30	52.64%
11-12	13	22.82%
Graduate	01	1.75%
B.H.M.S.	01	1.75%
Uneducated	01	1.75%
Total	57	100%

Above table clear that, persons who are not much educated can do business. But some peoples are there who are highly qualified can do the business as a part time for secondary

source of income. Important thing is that an uneducated person can run the business. Table 4.1 reveals that 52.64% owners of Jaggery production unit are having education from 8th to 10th standard only.

Table 4.2
Classification based on Religion

Religion	Frequency	Percentage
Hindu	55	96.50%
Muslim	01	1.75%
Jain	01	1.75%
Total	57	100%

Table 4.2 shows that most of the owners (96.50%) are Hindu by religion. This business is for all but mostly Hindu peoples are doing this business because they have more proportion in total population.

Table 4.3
Classification based on Category

Caste	Frequency	Percentage
Open	55	96.50%
OBC	01	1.75%
SC	01	1.75%
Total	57	100%

People belong to OBC and SC categories are rare in this business as Table 4.3 indicates that upper caste people of 96.50% are involved in this business.

Table 4.4
Classification based on Age

Age	Frequency	Percentage
21-30	02	3.51%
31-40	20	35.07%
41-50	18	31.59%
51-60	13	22.81%
61-70	04	7.02%
Total	57	100%

Maximum people from are group of 41 to 60 are doing this business. Table 4.4 the age group from 31 to 40 has 35.07% and from 41 to 50 has 31.59%. As there is more physical work in business mostly, young peoples can do the job.

Table 4.5
Classification based on Establishment years

No. of Years	Frequency	Percentage
1- 10	22	38.60%
11-20	12	21.05%
21-30	05	8.77%
31-40	10	17.54%
41-50	07	12.29%
51-60	01	1.75%
61-70	00	00%
Total	57	100%

Table 4.5 indicates that most of the units were established before 10 years i.e. 61.40% and remaining 38.60% units have been formed during the period of last ten years.

Table 4.6
Owners of the area required for Jaggery house

Authority	Frequency	Percentage
Own	55	96.50%
Rental basis	02	3.50%
Total	57	100%

Table 4.6 reveals that most of the units (96.50%) are being operated on own-land where as the remaining (only 3.50%) units are on rental basis. If the business can run on rental basis, profit will reduce and on the other side if it is your own, profit will be also more.

Table 4.7
Area of Land

Area (in Are)	Frequency	Percentage
15	01	1.75%
20	20	35.09%
25	01	1.75%
30	04	7.02%
40 Are (1 acre)	24	42.11%
60 Are (1.20 acre)	06	10.53%
80 Are (2.00 acre)	01	1.75%
Total	57	100%

Table 4.7 shows that majority of the peoples are use 1 acre land i.e. 24 respondents utilize. 35.09% peoples are use 20 Are for producing Jaggery cakes. It shows that majority respondents are utilizing less 1 acre land. Few respondents are use 2 Are land and another 1.75% respondents are use 15Are land. It shows that owners of the Jaggery houses do not properly use their resources for producing Jaggery cakes.

4.2 Production Management:

In the second section of this chapter, the data regarding production activities and their management have been presented.

Table 4.8
Period of the Annual Season

Months	Frequency	Percentage
3 months	0	00%
4 months	18	31.58%
5 months	14	24.56%
Depends on supply of Sugarcane	25	43.86%
Annual	0	00%
Total	57	100%

As sugarcane will be produced throughout the year but the main sugar factors required for Jaggery will be prepared in certain days, that's why Jaggery production will depend on sugarcane supply. Table 4.8 indicates that season of 43.86% units dependent on supply of sugarcane. As season of 31.58% units is of 4 months whereas that of 24.56% units is of 5 months.

Table 4.9
Nature of Business

Nature	Frequency	Percentage
Seasonal	51	89.47%
Quarterly	02	3.51%
Half Yearly	04	7.02%
Annual	0	00%
Total	57	100%

Table 4.9 shows that majority respondents are producing Jaggery cakes on seasonal basis. It shows that sugarcane is not available because of shortage of sugarcane.

Table 4.10
Base for Purchase of Sugarcane

Basis	Frequency	Percentage
Demands in the markets	15	26.31%
Cost of raw material	31	54.39%
Profit	11	19.30%
Total	57	100%

Peoples can take raw material as they can get it, in low cost and after that they produce more Jaggery cakes. Tables 4.10 reveals that the decision for purchase of sugarcane (raw material) is based mainly (54.39% on cost material).

Table 4.11
Cash Purchase of Sugarcane

Purchase of Sugarcane for cash	Frequency	Percentage
Yes	22	38.60%
No	27	47.37%
Own	08	14.03%
Total	57	100%

By using own sugarcane, profit will be more but sufficient sugarcane is not produced in their own field, so these units prefer to purchase sugarcane may be on the cash or credit.

Table 4.12
Reason of Damaging

Causes of Demands of Jaggery Cakes	Frequency	Percentage
Use of Bullock cart	12	21.05%
Damage Road	03	5.26%
Use of tractors	14	24.57%
Use of small vehicles	01	1.75%
Lack of technology	07	12.28%
Improper storage	20	35.09%
Total	57	100%

Damage of Jaggery cakes is one of the important problems. Table 4.12 clears that the majority of damage is due to main three reasons (i) improper storage (35.09%) (ii) Use of tractors (24.57%) and (iii) Use of bullock carts (21.05%).

Table 4.13
Production capacity of Units- Single Lot

Quantity of Jaggery Cakes	Production (In Kg.)	Frequency	Percentage
25 to 50	40	05	8.77%
51 to 100	30	04	7.02%
101 to 150	10	44	77.19%
151 to 200	00	00	00%
201 to 250	10	04	7.02%
Total	90	57	100%

Table 4.13 shows that majority of the Jaggery units (77.19%) belongs to the class of having capacity of 101 to 150 cakes per day. The class of having capacity of 201 to 250 cakes per day. Contributes 7.02%. Both these classes are producing their cake in 10 kg of size.

Table 4.14
Use of Technology in Production

Contribution of Human Resource	Contribution of Machinery	Frequency	Percentage
60%	40%	06	10.53%
70%	30%	07	12.28%
75%	25%	05	8.77%
80%	20%	25	43.86%
85%	15%	03	5.26%
90%	10%	11	19.30%
Total	--	57	100%

Table 4.14 reveals that almost all the units are using human labour for producing Jaggery in more contribution. The contribution of machinery is lower in all the cases. It shows that equipments are available in the Jaggery houses but Jaggery producers are not using them properly for available resources.

Table 4.15
Production Cycle Time

Times in hours	Frequency	Percentage
2.00	02	3.51%
2.30	30	52.63%
3.00	23	40.35%
3.30	02	3.51%
Total	57	100%

Table 4.15 that 52.63% have cycle time of 2.30 hours and 40.35% units have cycle time of 3 hours. It shows that Majority of the Jaggery houses (92.98%) have cycle time between 2.30 hours to 3 hours. 3.51% Jaggery houses are 3.30 hours time for producing the Jaggery cakes.

Table 4.16
Actual Production of per day

Jaggery cakes(Quantity)	Jaggery cakes (kg)	Frequency	Percentage
27 to 77	45	04	7.02%
78 to 128	50	17	29.82%
129 to 179	40	09	15.89%
180 to 230	25	27	47.37%
Total	160	57	100%

Table 4.16 shows that 47.37% units belong to the class of units having production from 180 to 230. Jaggery cakes are produced more compare to the beginning of your business become sugarcane recovery is more than the past recovery of the sugarcane.

Table 4.17
Efforts to stop 'Badali Rave' System

Decisions	Frequency	Percentage
Stop production	0	00%
Morcha	31	54.38%
Sending letter	01	1.75%
Notice	23	40.35%
Meeting	02	3.51%
Total	57	100%

Table 4.17 shows that majority of the Jaggery producers were deciding the 'Morcha' for stopping 'Badali Rave'. 40.35% Jaggery producers have given notice to stop 'Badali Rave' system. It is clear that the market is not providing appropriate price to the Jaggery. -'Badali Rave'- Exchange of Jaggery (Gur) cakes.

Table 4.18
Scarcity of Sugarcane

Benefits	Frequency	Percentage
Yes	40	70.18%
No	17	29.18%
Total	57	100%

Table 4.18 indicates that the majority of the respondents have scarcity of sugarcane in their Jaggery house i.e. 70.18% and remaining respondents have not scarcity for purchase of sugarcane in their Jaggery house. Because owners are producing Jaggery cakes in their own field.

Table 4.19
Timely Availability of Raw Material

Benefits	Frequency	Percentage
Yes	24	42.11%
No	33	57.89%
Total	57	100%

Table 4.19 shows that the raw material made available on time to the respondents are 42.11% and remaining respondents are not having raw material available in time. It shows that majority of in Jaggery businesses units have the problem of raw material timely. It is clear that the lack of raw material and lack of technology for carrying raw material.

4.3 Human Resources Management:

Jaggery producers are not paying the bonus to their labour. Majority of the owners are not paying for their workers equally. In Majority Jaggery units, businessman is not

utilizing available resource properly. Fewer owners are utilizing the available resources properly. Majority of the labours are not skilled for about producing cakes. Majority Jaggery industrialist thinks about wages while appointing experienced labours. But few Jaggery producers do not think about wages while appointing experienced labour. It shows that some of the labours have not doing good quality works. Agricultural Produce Market Committee (APMC) has not changes and improvements suggested in their training. Majority of the labours are living in their Jaggery industry for doing extra work. Majority of the wages of labours have daily income and at the rates of market.

Table 4.20
No. of workers employed

No. of workers	Frequency	Percentage
10	0	00%
15	01	1.75%
20	08	14.03%
25	30	52.64%
More	18	31.58%
Total	57	100%

Table 4.20 shows that majority in Jaggery houses 25 labours have selected at their work and 31.58% Jaggery houses more than the 25 labours have selected at their work. Only 1.75% labours are doing work in 1 Jaggery houses out of this sample. Majority Jaggery houses have select more labour for doing Jaggery cakes. It is clear that advanced technology is not available.

Table 4.21
Labour Time

Labour Hours	Frequency	Percentage
6 Hrs	0	00%
8 Hrs	01	1.75%
10 Hrs	55	96.50%
12 Hrs	01	1.75%
Total	57	100%

Table 4.21 shows that majority of the labours doing work for 10 hours in Jaggery industry and remaining labours have to work for 12 hours. It is indicating that the labours are doing more work but they are not getting appropriate wages.

Table 4.22

Basis for Selection of Labours

Factors	Frequency	Percentage
Experience	37	64.92%
Their needs	01	1.75%
Your needs	02	3.50%
Recommendation	17	29.83%
Total	57	100%

Table 4.22 shows that majority of the Jaggery producers have selected the workers on their experience and few Jaggery producers have selected the workers on own recommendation. It is clear that the Jaggery producers are not giving preference to their needs.

Table 4.23

No of Shifts of work

Shifts	Frequency	Percentage
1 Shift	41	71.93%
2 Shift	16	28.07%
3 Shift	0	00%
Total	57	100%

Majority Jaggery producers have done work in single whereas 28.07% units have double shifts. It shows that there is spare capacity of units if additional are employed for remaining shifts by which they can improve their production.

Table 4.24

Basis for selection of 'Gulavya'

Types	Frequency	Percentage
On Previous experience	30	52.63%
Low wages	26	45.62%
As per his economic difficulties	01	1.75%
Total	57	100%

Majority of the Jaggery producers have been selected to the 'Gulavya' on the basis of their previous experience i.e. 52.63 %. And followed by the Jaggery producers have been selected to the 'Gulavya' on the basis of low wages. Few Jaggery producers have selected to the 'Gulavya' on the basis of his economic difficulties.

Table 4.25
Problems related workers

Problems	Frequency	Percentage
Taking advance and but not working	23	40.35%
High rate of wages	11	19.30%
Unskilled labour	8	14.03%
Lack of training	09	15.79%
Absenteeism	04	7.02%
Other	02	3.51%
Total	57	100%

40.35% labour has taking advance and stop coming to work. 19.30% Jaggery producers were facing problem of high rate of wages. 15.79% Jaggery producers were facing problem of lack of training of workers. 14.03% Jaggery producers are facing the problem of unskilled labours.

Table 4.26
Export Price

Comparative Higher	Frequency	Percentage
Yes	18	31.58%
No	07	12.28%
No exportation	32	56.14%
Total	57	100%

Table 4.26 shows that the majority of the Jaggery producers (56.14) do not export the Jaggery. 31.58% Jaggery producers have price given on export production comparatively more than normal price in local market. 12.28% Jaggery producers are not agreed with above statement.

Table 4.27
Seasonal Turnover of business

Turnover (Rs.)	Frequency(In lakhs)	Percentage
1 to 2 lakhs	0	00%
3 to 4 lakhs	02	3.51%
5 to 6 lakhs	11	19.30%
7 to 8 lakhs	44	77.19%
Total	57	100%

The Jaggery business is of seasonal nature so it is need to know its seasonal turnover. Table 4.27 reveals that 77.19% Jaggery houses have turnover of Rs. 7 to 8 lakhs per season whereas 19.30% of them have turnover of Rs. 5 to 6 lakhs. Only 4% of them have highest turnover from Rs. 3 lakh to 4 lakh.

Table 4.28
Training to owners

Taken any Training	Frequency	Percentage
Yes	03	5.26%
No	54	94.74%
Total	57	100%

Table 4.28 shows that majority of the owners are not taken only training to start their business and remaining owners are taken only training to start there business. It shows that majority of the respondents are educated but they have not skill for producing good Jaggery cakes. They have any only producing Jaggery cakes in their tradition system hence, Jaggery quality is not maintained.

Table 4.29
Training to workers

Taken any Training	Frequency	Percentage
Yes	02	3.51%
No	55	96.49%
Total	57	100%

Table 4.29 shows that majority of the labours are without training doing work in the Jaggery houses. Few labours are given trained in the Jaggery business.

4.4 Financial Management:

Following tables are showing financial problems of Jaggery Industry.

Table 4.30
Profit Margin on sugarcane charged by farmers

Percentage(available)	Frequency	Percentage
Up to 5%	05	8.77%
Up to 10%	31	54.38%
Up to 15%	13	22.81%
Up to 20%	06	10.54%
Above 20%	02	3.50%
Total	57	100%

In this business the percentage of farmers are supplying raw materials (sugarcane) by charging 10% profit margin is highest (54.38%). Seasonally such percentage of farmers who are charging 15% margin is 23%.

Table 4.31
Need of Types of Loan

Types	Frequency	Percentage
Long term	11	19.30%
Medium term	37	64.91%
Short term	09	15.79%
Total	57	100%

Jaggery producers require different types of loan i.e. long term loan, medium loan and short term loan. Majority of Jaggery producer (64.91%) require medium term loan whereas 19.30% of them require long loan and 15.79% of them require short term loan. It shows that adequate capital is not available for expanding the business.

Table 4.32
Collection Period for bill of Jaggery houses

Period	Frequency	Percentage
2 Days	01	1.75%
4 Days	04	7.02%
7 Days	13	22.81%
15 Days	28	49.12%
Above 15 days	11	19.30%
Total	57	100%

Majority of Jaggery producers (49.12%) collect their bills within 15 days and 19.30% of them require period for collection than that. Table 4.32 reveals that 91% of Jaggery producers require the collection period above 7 days.

Table 4.33
Seasonal Loss due to damaged cakes

Loss (in Rs.)	Frequency	Percentage
5,000	02	3.50%
10,000	08	14.03%
30,000	18	31.58%
50,000	29	50.89%
Above 50,000	0	00%
Total	57	100%

During the season of Jaggery production these Jaggery houses face losses due to damaged cakes. This loss may be due to the reasons like in proper transport, in proper storage, political agitation (Morcha), unavailability of market, unskilled labour, changing cakes etc. percentage of bearing such loss upto Rs. 50,000 is 51%. It is nothing but wastage of resources hence, it is serious matter.

Table 4.34
Sources of Capital

Sources of Loan	Frequency	Percentage
Own funds	0	00%
Bank loan	37	64.92%
Loan from credit society	10	17.55%
Local Money lender	08	14.03%
Government Subsidy	0	00%
Others	02	3.50%
Total	57	100%

The business may raise capital from different sources like own fund, loan from credit society, money lender, government subsidy etc. Table 4.34 reveals that majority of Jaggery producers take loan from bank whereas 17.55% of them depend on credit society for loan. Though there is wide network of credit cooperatives in the district, it is considerable incidence that 14.03% of Jaggery producers are dependent on money lenders for their capital. The banks have bankable opportunity to be grasped.

Table 4.35
Problems in capital formation for the business

Opinion	Frequency	Percentage
Lack of capital	45	78.94%
More interest	0	00%
Not available debt	10	17.55%
Other	02	3.51%
Total	57	100%

78.94% Jaggery producers are facing the economical problem in this business. 17.55% debt is not available for solving the problem of Jaggery production. 3.51% Jaggery producers is facing the problems of other like unskilled labour, unavailability raw material etc. Majority of the Jaggery producers are facing the problem of lack of capital.

Table 4.36
Cost of Purchase of Sugarcane per tone

Cost (Rs.)	Frequency	Percentage
1100 to 1500	31	54.39%
1501 to 2000	18	31.58%
2001 to 2500	05	8.77%
2501 to 3000	03	5.26%
Total	57	100%

The cost of sugarcane cutting is one of the important cost elements which may effect on the price of Jaggery. Table 4.36 shows that 54.56% Jaggery producers opined that Rs. 1100 to Rs. 1500 is the cost of sugarcane cutting, whereas 32% of them said that they pay Rs. 1501 to Rs. 2000 for same purpose. It indicates that this cost is increasing day by day.

It may affect the price of Jaggery.

Table 4.37
Advance Payment of Wages per head

Advances(Rs.)	Frequency	Percentage
2000	16	28.07%
5000	06	10.53%
10000	10	17.54%
15000	25	43.86%
Total	57	100%

To retain laborforce with Jaggery houses, they implement the strategy of availing an advance payment against their wages. Table 4.37 indicates that 43.86% Jaggery houses pay such advance of Rs.15000 whereas 17.54% of them pay Rs. 10000 for such advance. Some of them (28%) pay this amount upto Rs. 2000 only 11% of them are paying Rs. 5000 as an advance wages.

Table 4.38
Daily Cost of Jaggery house

Cost (Rs.)	Frequency	Percentage
3000	30	52.63%
5000	21	36.84%
7000	05	8.77%
9000	01	1.75%
12000	0	00%
Total	57	100%

The daily cost of Jaggery houses is significant factor. Table 4.38 shows that 52.63% Jaggery houses have daily cost of Rs. 3000 whereas 36.84% of them have daily cost of Rs. 5000.

Table 4.39
Daily wages of workers

Expenses (Rs.)	Frequency	Percentage
60	0	00%
80	02	3.51%
100	15	26.31%
120	20	35.09%
200	20	35.09%
Total	57	100%

The labour cost is one of the important costs which may affect the selling price and profit. Table 4.39 shows that 35.09% of them pay that of Rs. 200 per head. Next to them, 26.31% of Jaggery producers are paying daily wages only Rs. 100 per head.

Table 4.40
Monthly wages of workers

Expenses (Rs.)	Frequency	Percentage
2000	0	00%
2500	03	5.27%
3500	34	59.65%
6000	15	26.31%
Above 6000	05	8.77%
Total	57	100%

Table 4.40 reveals that 59.65% Jaggery producers are paying monthly wages o Rs. 3500 to workers whereas 26.31% of them pay monthly wages of Rs.6000 to workers. Table 4.41 shows that there is no uniformity in monthly wages. It may be on the basis of their experience in terms of number of years.

Table 4.41
Classification based on Fixed Capital

Fixed Capital	Frequency		Percentage	
	Yes	No	Yes	No
Machinery	57	0	100%	0%
Furniture	57	0	100%	0%
Vehicles	23	34	40.35%	59.65%
Building	50	07	87.72%	12.28%
Total	187	41	82.02%	17.98%

Table 4.41 shows that almost all Jaggery houses held Building, Machinery and furniture as fixed assets whereas 40.35% of them have vehicles also. It shows that their capital investment is in the form of these fixed assets.

Table 4.42
Classification based on current assets

Current Assets	Frequency		Percentage	
	Yes	No	Yes	No
Debtors	55	02	96.49%	3.51%
Stock	46	11	80.70%	19.30%
Cash in hand	39	18	15.79%	31.58%
Cash at bank	40	17	70.17%	29.82%
Receivable	39	18	68.42%	31.58%
Prepaid Insurance	03	54	5.26%	94.74%
Total	222	120	64.91%	35.09%

Table 4.42 reveals that major current assets with sample Jaggery house are debtors, stock receivable and cash at ban. But different current assets have variation in their quantum. 5.26% of them have the amount of prepaid insurance; it means there is no adequate awareness of insurance among Jaggery producers.

4.5 Marketing Management:

Following tables are showing marketing management of Jaggery production

Table 4.43
Classification based on purchase of raw material

Methods	Frequency	Percentage
Retails	50	87.72%
Wholesale	07	12.28%
Total	57	100%

The purchase of raw material is one of the important operations in any business. Table 4.43 shows that 87.72% Jaggery producers purchase suggestions and other material or retail bases whereas remaining 12.28% of them purchases raw material on wholesale basis.

Table 4.44
Quality of Raw Material

Quality	Frequency	Percentage
Good	20	35.09%
Ordinary	07	12.28%
Medium	27	47.37%
Not good/Damage	03	5.26%
Total	57	100%

The quality of raw material is the factor which affects the quality of product. So any business organization has to formulate such a strategy that good quality raw material should be purchased. Table 4.44 shows that 47.37% Jaggery houses are purchasing raw material of medium quality.

Table 4.45
Classification of Jaggery Houses on the Basis of Production Capacity utilization

Capacity of Jaggery cakes	Frequency			Percentage		
	5Kg.	10Kg.	30Kg.	5Kg.	10Kg.	30Kg.
200-400	20	12	01	35.09%	21.05%	1.75%
401-600	04	08	--	7.02%	14.03%	--
601-800	03	--	--	5.26%	--	--
801-1000	02	--	--	3.51%	--	--
1001-1200	01	--	--	1.75%	--	--
1201-1400	--	--	--	--	--	--
1401-1600	02	--	--	3.51%	--	--
1601-1800	--	--	--	--	--	--
1801-2000	03	--	--	5.26%	-	--
Total	35	21	01	62.17%	36.08%	1.75%

The capacity utilization is one of the important measures of performance. Table 4.45

reveals that majority Jaggery producers (62.17%) are producing cakes of 5 kg each whereas 35.09% of them are producing Jaggery.

Table 4.46
Demand for Jaggery in the Market

Market Demand	Frequency	Percentage
High	31	54.38%
Medium	13	22.81%
Low	06	10.53%
Ordinary	07	12.28%
Total	57	100%

The sale is based on demand for the product which is available in the market. Table 4.46 shows that 54.38% Jaggery houses have high demand in the market whereas 22.81% of them have medium demand. As 12.28% Jaggery producers have ordinary demand, 10.53% of them have low demand.

Table 4.47
Sale of Jaggery at different Level

Place of market	Frequency	Percentage
Local level	52	91.23%
Regional level	05	8.77%
International level	0	00%
National level	0	00%
Total	57	100%

The Jaggery is sold at different level of market. The Jaggery producers under study are not exporting their product. They are selling it at local and regional level. Some local merchants and regional merchants export this Jaggery to foreign countries. But the purchases have not entered into international market. Table 4.48 reveals that 91.23% Jaggery producers are selling their product in local market whereas 8.77% of them are selling their product to merchants outside the state.

Table 4.48
Place of Reasonable price for Jaggery

Traders	Frequency	Percentage
Mall	0	00%
Market	01	1.75%
Retailer	36	63.16%
Wholesaler	20	35.09%
Total	57	100%

The Jaggery producers opine that 63.16% of them get reasonable price from retailers whereas 35.09% of them opine that they can attain reasonable price for their Jaggery from wholesalers.

Table 4.49
Classification based on Jaggery sales

Traders	Frequency	Percentage
Retailers	01	1.75%
Wholesaler	17	29.82%
Agents	37	64.92%
Open Market	02	3.51%
Total	57	100%

The Jaggery houses are selling their Jaggery cakes through retailers, wholesalers, agents or in open market. Table 4.49 shows that 64.92% of Jaggery houses are selling it through agents available in market yard, whereas 29.82% of them are selling Jaggery through wholesalers.

Table 4.50
Efforts to increase in sale

Techniques	Frequency	Percentage
Attractive structure	06	10.53%
Production time	15	26.31%
Co-operation to agents	36	63.16%
Other	0	00%
Total	57	100%

The Jaggery houses take effort to increase their sale. Table 4.50 indicates that 63.16% Jaggery houses take cooperation from agents to increase their sale whereas 26.31% of them by producing Jaggery timely.

Table 4.51
Quality Maintain

Quality	Frequency	Percentage
Yes	55	96.49%
No	02	3.51%
Total	57	100%

Table 4.51 shows that Jaggery producers maintained the quality of their product i.e. 96.49%. 3.51% Jaggery producers not maintained the quality of Jaggery cakes. It shows that minimum Jaggery producers not maintain that quality of Jaggery cakes.

Table 4.52
Benefits of Godown

Benefits	Frequency	Percentage
Yes	02	3.51%
No	55	96.49%
Total	57	100%

Table 4.52 indicates that 96.49% Jaggery producers are not get benefits of Godown but only 3.51% Jaggery producers are get benefits of Godown. It is shows that the majority

of the Jaggery producers are not getting benefits of Godown.

4.6 Cost - Sheet Analysis:

Following table is showing information about the cost sheet of Jaggery houses

1. Cost of raw material to prime cost (CRMPC)
2. Direct wages to prime cost (DWPC)
3. Direct expenses to prime cost (DEPC)
4. Production cost to prime cost (PCPC)
5. Office & administrative expenses to cost of production (OAIECP)
6. Selling & distribution cost to cost of goods sold (SDCCGS)
7. Profit to sales (PS)

Table 4.53
Cost –Sheet Analysis

Sr. No.	1. CRMP C (%)	2. DWPC (%)	3. DEPC (%)	4. PCPC (%)	5. OAIECP (%)	6. SDECP (%)	7. PS (%)
1.	87	7	3	103	100	111	23
2.	97	4	3	104	100	110	39
3.	90	6	2	105	100	110	26
4.	89	5	4	103	100	110	32
5.	90	6	4	103	100	110	31
6.	89	6	4	104	100	115	26
7.	92	3	4	103	100	110	33
8.	89	5	3	104	100	112	36
9.	90	5	3	103	100	109	28
10.	92	1	7	103	100	114	17
11.	91	5	3	103	100	110	18
12.	91	6	2	102	100	109	28
13.	91	4	4	103	100	109	34
14.	92	3	3	103	100	111	22
15.	92	2	4	103	100	114	34
16.	92	3	3	103	100	112	29
17.	89	6	3	105	100	115	19
18.	97	5	0.98	103	100	114	34
19.	91	6	2	102	100	112	15
20.	90	5	3	103	100	111	33
21.	90	5	4	106	100	108	37
22.	90	3	4	103	100	112	32
23.	85	7	6	103	100	112	21
24.	93	3	3	102	100	110	31

25.	90	6	2	102	100	108	36
26.	89	3	5	103	100	112	32
27.	90	6	2	103	100	112	26
28.	91	5	4	104	100	113	33
29.	89	5	3	103	100	113	30
30.	87	5	7	102	100	116	36
31.	90	5	2	99	100	114	24
32.	93	3	3	105	100	115	40
33.	90	5	3	103	100	112	32
34.	86	5	3	102	100	110	32
35.	92	2	4	102	100	109	34
36.	87	7	4	104	100	113	22
37.	91	2	4	104	100	112	33
38.	87	7	4	103	100	111	32
39.	89	6	4	104	100	113	31
40.	88	4	4	104	100	113	21
41.	88	6	5	102	100	111	31
42.	87	6	5	103	100	110	15
43.	90	5	4	104	100	110	32
44.	93	2	2	109	100	110	21
45.	89	4	5	103	100	110	30
46.	87	2	5	104	100	114	37
47.	95	0.52	1	100	100	106	30
48.	87	10	0.55	97	97	111	24
49.	91	4	3	100	100	109	31
50.	88	10	0.85	100	100	108	26
51.	90	5	3	100	100	110	33
52.	89	7	2	100	100	115	33
53.	96	5	2	100	100	116	38
54.	92	4	2	100	100	112	34
55.	93	4	2	100	100	101	29
56.	89	5	3	100	100	112	33
57.	91	5	4	100	100	116	33
Total	5143	271.5	189.4	5848	5697	6347	1682
Mean	90.23	4.76	3.33	102.6	99.95	111.4	29.51

Table 4.53 shows the cost of production is more than prime cost and their mean is 102.€. Jaggery production units have failed to keep the cost of production at minimum level, hence they are bearing loss' has been rejected on the ground that the respective percentage of cost of minimum level leads to loss.

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4.7 Unawareness among Financial Management:

Following table showing the information about the unawareness among financial management.

Decrease in profit

due to lack

of training to workers

	1	2	3	4	5	Total
No. of Respondents	40	12	1	4	0	
Multiplying Factor	X 1	X 2	X 3	X 4	X 5	
	40	24	3	16	0	= 83

Total Score - 83 divided by No. of opinion - Giving respondents 57 = 1.46

If the highest possible mean score of 5 = 100% (20)

Then, mean score of 1.46 = 29.20 (Percentile Value)

The measuring the opinion of a 27 Jaggery houses, the Jaggery producers of the sampled units were social five- point Likert type opinion Survey. Schedule 1 = Strongly agreed, 2 = Agreed, 3 = Undecided (Neutral), 4 = Disagreed, 5 = Strongly disagreed. The response rendered was processed on a computer under expert supervision and by developing application specific technique; each mean score was converted into a percentile value.

Table 4.54
Unawareness among financial management

Sr. No.	Statement	Opinion Levels					Total Score	Mean Score	Percentile Value
		1	2	3	4	5			
1.	Scarcity of Sugarcane due to the increase in prices of Jaggery Cake	30	36	9	8	20	103	1.81	36.2
2.	Effect of power cut on the package of Jaggery cakes	19	60	15	4	10	108	1.89	37.8
3.	Decrease in profit due to lack of training to workers	40	24	3	16	0	83	1.46	29.2

4.	Bank allow credit to Jaggery Businessman	16	48	3	48	20	135	2.37	47.4
5.	Various government schemes are profitable to the producers of Jaggery	2	8	36	120	45	211	3.7	74
6.	Special Attentions of Banks toward Jaggery Production as Agro- processing units	1	0	3	80	175	259	4.54	90.8
7.	We Need of working Capital	42	24	3	8	0	77	1.35	27
8.	Bills are paid after 24 hours of the transaction of the Jaggery Cakes	5	4	6	40	190	245	4.3	86
9.	Maximum Loan is taken from money lenders for Jaggery production	40	12	0	40	5	97	1.7	34
10.	Maintenance of plant and machinery	30	38	9	16	5	98	1.72	34.4
11.	This business needs the Liquidity Management	40	28	0	8	5	81	1.41	28.2
12.	Effects of Changes in prices of Jaggery cakes on Profit and Loss	47	16	3	4	0	70	1.23	24.6
13.	Necessity of Charging Depreciation	27	56	3	4	0	90	1.58	31.6
14.	Necessity of Retaining Profit in the Business	37	40	0	0	0	77	1.35	27
15.	Necessity of Control on Cost	30	48	3	8	0	89	1.56	31.2
16..	Increase in Cost due to Use of Other Vehicles than Bullock Carts	40	18	9	20	0	87	1.53	30.6
17.	Cost increases due to traditional methods of production	11	52	33	32	5	133	2.33	46.6

18.	Utilization Of Business Resources	42	2	33	8	5	90	1.58	31.6
19.	The all equipment of the business are managed well	33	40	3	12	0	88	1.54	30.8
20.	Demand based on Store	3	6	6	128	85	228	4	80
21.	Inventory management is being done in this business	37	30	9	4	5	85	1.49	29.8
22.	Effect of Recession affect on your business	14	56	24	20	10	124	2.17	43.4
23.	Products need to be changed or developed to face the global market competition	16	70	15	0	5	106	1.86	37.2
24.	Having stopped the 'Badali Rave' Method	29	36	3	28	10	106	1.86	37.2
25.	This quality of the Jaggery Cakes is decided through customer satisfaction	7	42	60	32	5	146	2.56	51.2
26.	Quality of Jaggery Cakes decide the price	5	12	3	80	125	225	3.95	79
27.	Due to the proper storage of Jaggery Cakes We get good rate/ price	2	36	6	124	20	188	3.3	66

27 x 5 = 135 Most favorable response possible

27 x 3 = 81 A Neutral attitudes

27 x 1 = 27 Most unfavorable attitude

Table 4.53 shows the scores for individual statement would fall between 27 to 135 , but 7 statement score happens to be above 81, it shows favorable opinion to the given point of view, a score of below 81 would mean unfavorable opinion and a score of exactly 81 would be suggestive of a neutral attitude.

1. The statement 1 shows that the scarcity of sugarcane due to the increase in prices of Jaggery cakes. It is most unfavorable attitude because the score value is 27. The total score is 103 i.e. 36.2 percentile values and mean is 1.81. It is clear that big farmers have production of sugarcane of their own land.
2. The statement 3 shows decrease in profit due to lack of training to workers. It is most unfavorable attitude because score value is 27. The total score is 103 i.e. 29.2 percentile value and mean is 1.46. It is clear that training is not taken through market yard to the owners and labours.
3. The statement 6 shows special attentions of toward Jaggery production as agro-processing units. It is most favorable attitude because score value is 135. The total score is 259 i.e. 90.8 percentile value and mean is 4.54. It is clear that the bank don't concentrate on Jaggery production as agro-processing units.
4. The statement 7 shows need of working capital. It is most unfavorable attitude because score value is 27. The total score is 77 i.e. 27 percentile value and mean is 1.35. It is clear that the majority of Jaggery producers have need of money.
5. The statement 8 shows that payment of Bills within 24 hours from auction held. It is most favorable attitude because score value is 135. The total score is 245 i.e. 86 percentile value and mean is 4.3. It is clear that the market committee can not get payment of bills within 24 hours.
6. The statement 9 shows Maximum loan is taken from money lenders for Jaggery production but it is most unfavorable attitude because score value is 27. The total score is 97 i.e. 34 percentile value and mean is 1.7. It shows that majority of the respondents have need of working capital for doing business and expanding the production of Jaggery cakes.
7. The statement 10 shows that Maintenance of plant and machinery. It is unfavorable attitude because score value is 27. The total score is 98 i.e. 34.4 percentile value and mean is 1.72. It shows that the machines require periodical maintenance and most people do that for better working.
8. The statement 11 shows that requirement of liquidity of management. It is unfavorable attitude because score value is 27. The total score is 81. i.e. 28.2 percentile value and mean is 1.41. It shows favorable opinion to the given point of view; a score of exactly 81 would be suggestive of a neutral attitude. The Jaggery producers have need for liquidity

of management of running the businesses.

9. The statement 12 shows that effect of changes in prices of Jaggery cakes on profit and loss. It is unfavorable attitude because score value is 27. The total score is 70. i.e. 24.6 percentile value and mean is 1.23. It is clear the market committee not fix pay to the owners of the Jaggery Industry.

10. The statement 13 shows that Necessary of charging depreciation. It is unfavorable attitude because score value is 27. The total score is 90. i.e. 31.6 percentile value and mean is 1.58. It is clear the Majority of the Jaggery producers have need for the depreciation charges because in future owners are easily purchase the new machinery.

11. The statement 14 shows that Necessary of retaining profit in the business. It is unfavorable attitude because score value is 27. The total score is 77. i.e. 27 percentile value and mean is 1.35. It is necessary to keep business in profit.

12. The statement Necessary of control on cost. It is unfavorable attitude because score value is 27. The total score is 89 i.e. 31.2 percentile value and mean is 1.56. It is clear that expenditure under control because producers don't spent money they can't get more profit.

13. The statement 16 shows that increase in cost due to use of other vehicles than Bullock cart. It is unfavorable attitude because score value is 27. The total score is 87 i.e. 30.6 percentile value and mean is 1.53. The statement shows that expenditure is increased due to Bullock carts and use of small vehicles, Jeeps carries of Jaggery Cakes.

14. The statement 18 shows that utilization of business resources. It is unfavorable attitude because score value is 27. The total score is 90 i.e. 31.6 percentile value and mean is 1.58. Majority Jaggery producers while the resources fully to get profit. Utilization of resources is important to increase profit. Resources are machinery, human etc.

15. The statement 19 shows that all tools are managed well. It is unfavorable attitude because score value is 27. The total score is 88 i.e. 30.8 percentile value and mean is 1.54. Majority peoples do the maintenance of there tools because they need everyday the use of it. Other benefits of maintenance is that the life of machinery increase and that's way the quality of Jaggery cakes will increase.

16. The statement 21 shows that Inventory management. It is unfavorable attitude because score value is 27. The total score is 85 i.e. 29.8 percentile value and mean is

1.49. It is clear the inventory management is being done in this business.

17. The statement 24 shows that having stopped the 'Badali Rave' method. It is unfavorable attitude because score value is 27. The total score is 106 i.e. 37.2 percentile value and mean is 1.86. It is clear that having stopped the 'Badali Rave' method there has been difference in the production.

4.10 Testing Hypotheses:

The present study was carried out on the topic 'Financial Management of Jaggery Production units: A Study of selected units in Karveer Taluka.' For this study some hypotheses were formulated.

1. The hypotheses 'Jaggery production units in Karveer Taluka are facing problems in getting funds has been accepted on the basis of the identification of the financial problem this units (Table No. 4.30, 4.31, 4.34, 4.35, 4.37, 4.42).

2. The hypotheses to be tested was 'Jaggery production units have failed to keep the cost of production at minimum level, hence they are bearing loss' has been rejected on the ground that the respective percentage of cost of minimum level leads to loss (Table No. 4.12, 4.36, 4.38, 4.39, 4.40, 4.53).

4. The third hypotheses were that 'Jaggery producers are not utilizing resources properly due to unawareness among financial management (Table No. 4.45, 4.54).

4.11 Conclusion:

Generally Jaggery manufacturing process starts in the month of November and ends in March. The wages of skilled person 'Gulavya' is Rs. 200 per day as compared to worker is highly beneficial to farmers in all respects. 90% Jaggery producers use Co-86032 and 92005 because recovery of sugarcane is more than other type of sugarcane. Majority of the Jaggery producers do not maintain the financial records of Jaggery production.

References:

1. Ravi M. Kishore, Cost Accounting and Financial Management, Taxmann Allied Services (p) Ltd, 2006, P-748.