

CHAPTER. IV.
THE UGAR SUGAR WORKS, LTD. (USW).

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-----THE UGAR SUGAR WORKS, LTD. (USW)
-----4.1. History of USW :-

The USW, where it is located is known as Ugar Khurd. The village is formed after establishment of USW. After USW, the centralisation of population took place and it is known as Ugar - Khurd. Village Ugar Khurd is situated on the left bank of Krishna river. It is settled in Athani Taluka (Belagum District) of Karnataka State.

According to the census of 1941 its population was merely 1000. Due to the establishment of Ugar Sugar Works Ltd. (USW) population of Ugar Khurd increased steadily. By 1971 census its population increased to 10,690. And in 1981 the population increased to 14,390.

Every industrial unit has its own background for its establishment. The background emphasises the needs of the concerning population and available natural and human resources in the region. The history of Ugar Sugar Works (USW) Ltd. dates back to 1920 when the proposal was put forth. The Ugar Sugar Works (USW) Ltd. was established in 1939 with the hard efforts of local leaders headed by Shirgaonkar Family. It was registered under Sangli State

Company's Act. At the time of establishment it was having authorised paid up capital of Rs. 2/- lakhs; of which shares worth of Rs. 18,70,120/- held by the public. It is a joint stock company sugar factory.

As a pioneer sugar factory in this part of the country and one of the oldest of its kind in Karnataka, the Ugar Sugar Works (USW) Ltd. has been an ever progressing factory ever since its establishment. It has beyond all suspicion, transformed the lives of the poor and common masses in this area. It has certainly brought happiness and contentment among hundreds of thousands of families by lifting them, above the poverty line and securing a just and honourable status to them in society. The factory, that has gone a long way in successfully bringing out the " Green Revolution " in the villages of the moffusial area.

The Geographical Features of Ugar Area :

The establishment of any industrial unit is always influenced by the geo-physical regions and its economic viability. So is the case of Ugar Sugar Works (USW) Ltd. The geo-physical character of the Ugar region was the reason for the economic planning of the region. The most important reason in abundant availability of raw material i.e. sugarcane. The slope of Ugar region is plain with fertile land around the Ugar area. The rainfall is between 500mm to 600 mm. with 55 to

90 rainy days in a year. The total geographical area is about 10,000 hectares. The soil is black, primarily, medium to deep black with varying depth and it is locally called as Madyam, Bhari, Kalimati i.e. medium black soil. The soil in this region is said to be rich in phosphorous, which easily leads to irrigation and nitrogenous fertilizers.

The quality of the soil is fair scanty and irregular rainfall has motivated the farmers, to start irrigation schemes in and around the factory region. Major crops are sown in Khariff season only. About 20 % crops are sown in rabi season. However, irrigation has made the agriculture strange. So the main crops sown are Jawar, ground-nut, Cotton, Tobacco, Wheat, Rice etc. Today all these are replaced by sugarcane, because of favourable prices of sugarcane. As the time passed and due to changes in irrigation conditions since the establishment of USW, nearly 45 % to 60 % of land is under sugarcane cultivation and 70 % cultivated area is suitable for sugarcane crop during 1970. The area under sugarcane crop is 65 % and according to the roughly calculated survey of USW, at the end of 1988. This area is mostly consisted of small and marginal farmers. The scanty rainfall in the region results into the scanty flow of water in Krishna river. However, the factory has built small dam over the Krishna river near Ugar. The climate is very moderate. The temperature is maximum at 40°C to minimum at 20°C.

4.2. : Aims and objectives of Ugar Sugar Works (USW)

The aims and objectives of the factory as described in the constitution of the factory by-laws are as under.

1. Growth of agricultural production.
2. Adoption of scientific and modern methods of agricultural production / agricultural mechanization,
3. Provision of good quality sugarcane for better quality production of sugar.
4. To create habit of thrift and saving among the farmers and shareholders.
5. To establish mini-industrial units based on by-products in the process of sugar production.
6. To create employment opportunities and in around the operational areasⁱⁿ rural regions.
7. To do all sorts of possible efforts for all round development of agriculturist and shareholders through convenient and institutional multi-purpose efforts.

Thus the factory was not just to be a manufacturing and profit making industry (factory) but a nucleus of all round development of the region.

8. Utilize the available raw materials i.e. sugarcane. The villages around the factory like Jugul, Ugar Khurd, Ugar BK., Ainapur, Shahapur, Kudchi, Modawal, Shiraguppi, Mangawati, Ingali are ^{well} ~~way~~ known for sugarcane crop today.

4.3. :- Location of the Factory :-

The Ugar Sugar Works, Ltd. Ugar, is located at Ugar Khurd in Athani Taluka of Belagum District in Karnataka State. The location of village Ugar Khurd (Karnataka State) is presented in Map. No.1, It is about 35 K.M. from Athani, 105 K.M. from Belagum, 37 K.M. from Sangli and 85 K.M. from Kolhapur. The factory is in tropical zone climate. The average rainfall is generally a spread over in ~~three~~ months from June to September. The maximum temperature is 40°C and minimum is 20°C .

The nearest railway station is Ugar Khurd itself. It is on the metergaze of Bangalore and Miraj. The factory site is 1 K.M. from the railway station. The nearest junction is Miraj which is 27 K.M. from the factory. The Karnataka State Transport Buses and Maharashtra State Transport Buses are also available from Ugar to Khagwad, Athani, Raibag, Chikkodi, Belagum, Bijapur, Miraj, Sangli, Kolhapur and Poona etc.

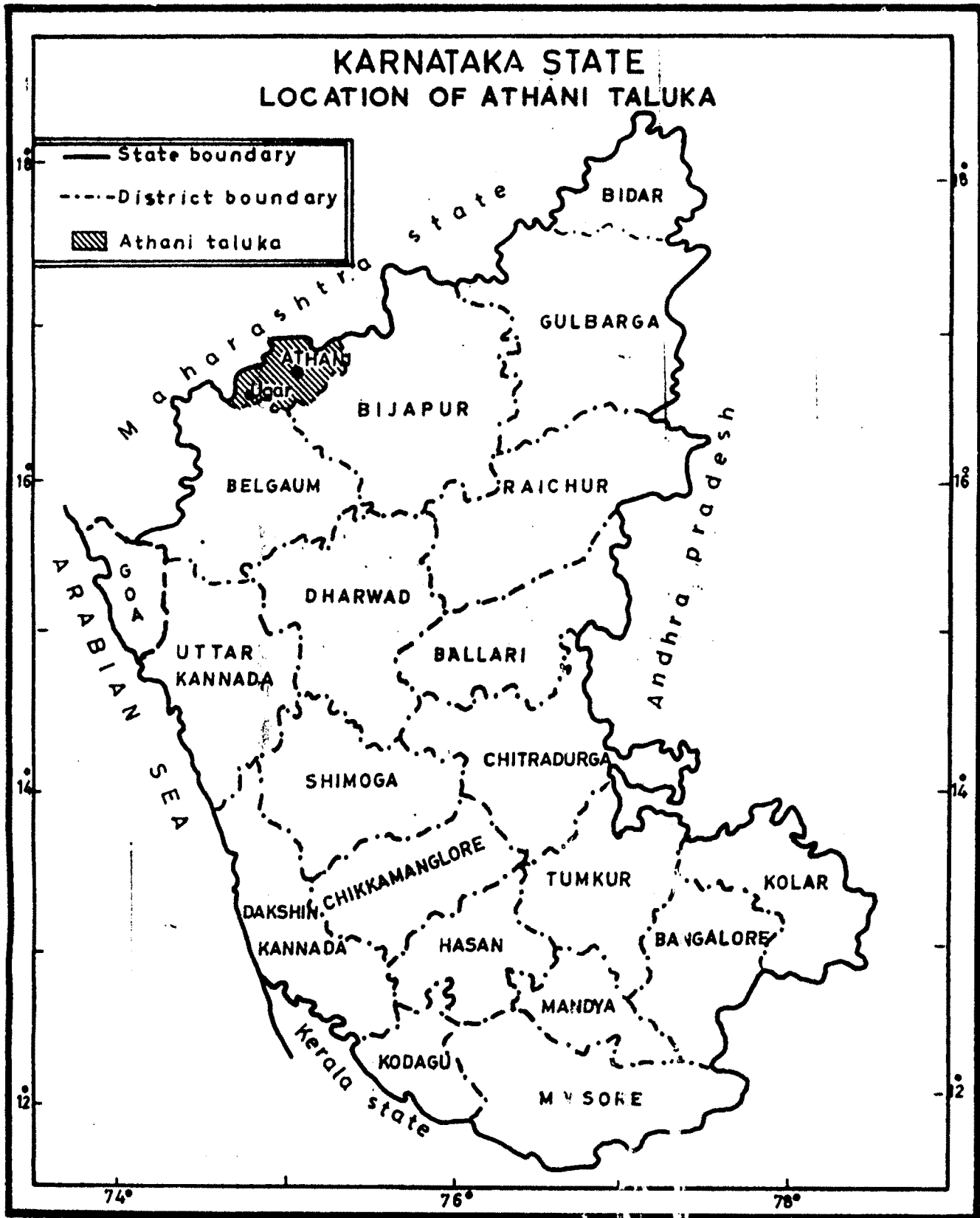









FIG. 1

MAP OF ATHANI TALUKA

INDEX

-  Sugarfactory
-  Taluka H.Q.
-  Taluka boundary
-  Villages
-  Roads
-  Railway
-  River

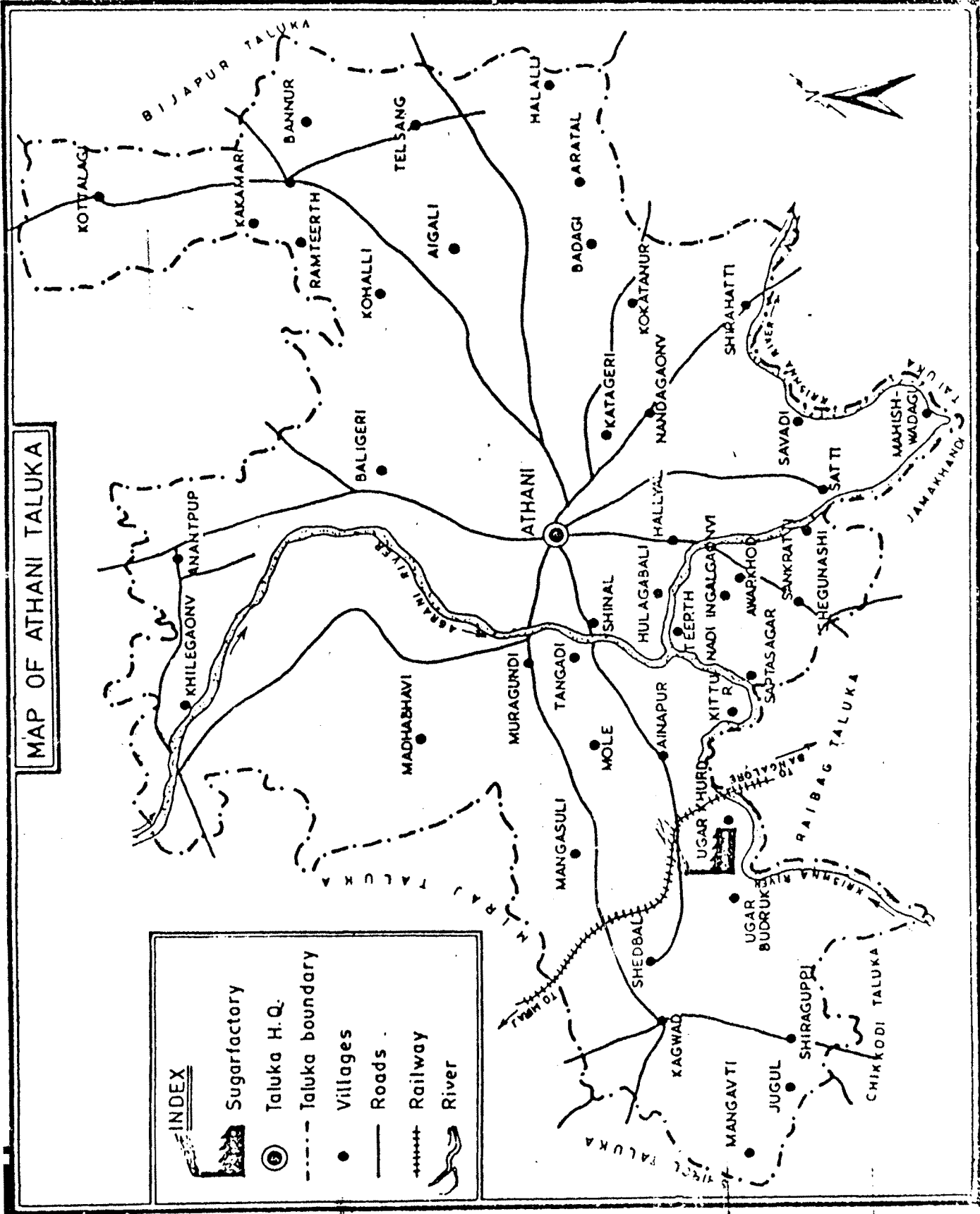


FIG. 2

4.4. Area and Layout of the Factory :

The area occupied by the factory is nearly 100 acres. It is conveniently and nearer to road and railway stations, so as to make the transport of goods and raw materials easy. But generally ~~factory~~ transport of sugarcane is done by trucks. At the same time the factory is at a safe distance from the railway trucks traffic. So that there is no free hazard from the buying live-cinders from railway engines. The water requirement for the factory and men is met by the Krishna river. The factory is free from the flood water even when the river Krishna is fully in spate in rainy season.

4.5. Sugar Factories in Vicinity :

Within the range of about 22 K.M. there are two sugar factories. One is the Raibag Sahakari Sakkare Karkhane Niyameet, Raibag and Shree Dudhganga Krishana Sahakari Sakkara Karkhana Niyameet, Chikkodi. In 1987 there were seven sugar factories actually manufacturing sugar in Belagum district . Belagum district alone grows 65 % of the total sugarcane production of the Karnataka State because of the district is having more factories compared to other districts. It has rightly been described as sugar district of Karnataka.

Messers Shirgaonkar Brothers, a firm of which Dr. S.R. Shirgaonkar was the leading member were the managing agents of the Kolhapur Sugar Mills, Ltd. and it's initial success was the fruit of their sincere hard work. Experience in industrial management and through mastery of the technical ' know how ' of the sugar industry in its agricultural and mechanical aspects.

4.6. Contribution of the Sangli State to USW :

The success of the Kolhapur State in establishing a new sugar factory in its territory was felt to be worth being emulated by other states having perennial or semiperennial rivers flowing through their territories and the question of earning a share in the sugar excise,

and ~~was~~ it was possible under their active consideration.

Sangli, which was one of the most advanced Deccan State, had the good fortune of being ruled over by an enlightened benevolent and saintly ruler like late Highness Sir, Chintamanrao Appasaheb Patwardhan, the Rajasaheb of Sangli, who was ably assisted in the performance of his duties as a ruler by his equally enlightened consort Her Highness Shrimati Sarawati Bai Patwardhan, Ranisaheb of Sangli.

The river Krishna in its course flowed through the area of Sangli the state and it thus was looked upon as capable of being able to sustain a successful sugar industry. Accordingly efforts were being made by the Rajasaheb's Government to find suitable sites for locating sugar factory preferably in the vicinity of permanent stores of water sufficient to irrigate large area of land growing sugarcane by the flow or lift methods.

4.7. Area of Operation :

The Ugar Sugar Works, Ltd. had concentrated its developmental activities within its area of operation. It is necessary to ensure regular supply of and adequate supply of sugarcane to the factory. It necessiated even by statutory stipulation. Accordingly Ugar Sugar Works Ltd. is assured of sugarcane supply demarketing the area for supplying cane to this factory.

The Government of Karnataka, in their Order No. HDC 147, COF. 75 dt. 22-7-1985 have allotted sugarcane area to sugar factories in the Belagum district. This had been done on the recommendations of an expert committee appointed by the Government itself. In the order, 89 villages are allotted to Ugar Sugar Works. These villages are covered by two Talukas of Belgaum district namely Athani and Chikkoddi. These 89 villages are grouped into 4 zones viz. (1) Ainapur zone. (2) Athani zone (3) Jugul zone. (4) Ugar zone.

Table No. 4.1.

Villages under the operation of
Ugar Sugar Works.

<u>Sr.No.</u>	<u>Villages</u>	<u>Sr. No.</u>	<u>Villages.</u>
1	Anantpur	16	Aralinhatti
2	Malabad	17	Bomabal
3	Balligeri	18	Madhabari
4	Gundewadi	19	Hanamapur
5	Parthanahalli	20	Karangi
6	Chamakeri	21	Bevanur
7	Shirur	22	Tawashi
8	Ajur	23	Naganur (P.A.)
9	Khilegaon	24	Sambargi
10	Pandegaon	25	Athani
11	Jumbagi	26	Tangadi
12	Kalloti	27	Shinnal
13	Shivapur	28	Murgundi
14	Abbihal	29	Masarguppi
15	Ingalgaon (A)	30	Maganur (P.K.)

<u>Sr. No.</u>	<u>Villages</u>	<u>Sr. No.</u>	<u>Villages</u>
31	Dodwad	51	Ghatnatti
32	Saptasagar	52	Halalli
33	Thirth	53	Katageri
34	Hulagaballi	54	Kodaganur
35	Khavatakoppa	55	Kakamari
36	Durur	56	Ramathirth
37	Ingalgaon (Nandi)	57	Bannur
38	Halyal	58	Kannal
39	Awarkhod	59	Voottalagai
40	Sankratti	60	Telsanga
41	Badagi	61	Ainapur
42	Artal	62	Katral
43	Badachi	63	Banajwad
44	Yakkanchi	64	Shedbal
45	Aigali	65	Mangasuli
46	Kokatnur	66	Shiraguppi
47	Kbhali	67	Kagwad
48	Vaiihadgali	68	Jugul
49	Adalialli	69	Shahapur
50	Nandagaon	70	Kittur.
71	Kempwad	72	Navalihal
73	Ugar BK	74	Kusnal
75	Molawad	76	Koulgudda
77	Lokur	78	Mangawati
79	Ugar KH	80	Mole
81	Savadi	82	Nanderwar
83	Janwad	84	Maheswadgi
85	Shegunshi	86	Satti

<u>Sr. No.</u>	<u>Villages</u>	<u>Sr. No.</u>	<u>Villages.</u>
87	Shirahatti	88	Balawad
89	Zunzurwad		

4.8. Organization of the Ugar Sugar Works, Ltd. (U.S.W.) :

Chart

As stated in the No. 4.1. Chairman with the help of executive members and Managing Director (M.D.) administer the whole factory. Managing Director is an official head of all administered bodies responsible to Chairman, this work has been divided into two sections. The administrative work is being carried out by senior executive. And the technical work is being carried out by another Managing Director. There are 17 departments under these two sections (See chart No.4.1.) There are three registered offices at Bangalore, Bombay & Sangli excluding the Head Office at Ugar Khurd. With reference to the chart given earlier, the persons and positions of the organization is given the table No.4.2.

Table No. 4.1.

PERSONS AND POSITIONS IN ORGANIZATION CHART

<u>Name</u>	<u>Qualification</u>	<u>Designation</u>
1. Shri. V.S. Shirgaonkar	B.Sc.(Hon)	Chairman
2. Shri. S.S. Shirgaonkar	B.Sc.(Hon)	Managing Director
3. Shri. P.V. Shirgaonkar	M.Sc.	Senior Executive (Administration)

Table No.4.4.(Cont.)

Name	Qualification	Designation
4. Shri. R.V. Shirgaonkar	B.Sc.(Hon)	Managing Director (Technical)
5. Shri. S.S. Ingalagi	B.A.,B.Com.	Office Superintendent and P.A. to M.D.
6. Shri. G.N. Bellary	B.Sc.M.S.W.	Labour welfare Officer.
7. Shri, R.P. Tagare	B.Sc.,LL.B.	Factory Manager-cum- Asstt, Secretary.
8. Shri. J.V. Mantri	B.Sc.(Hon) ANSI FSTA	Production Manager.
9. Shri. S.S. Hongal	B.E.(Mech)	Chief Engineer(Mech)
10. Shri. V.M. Biradargoudar	B.E. (Elec) and ANSI BOE	Chief Engineer (civil)
11. Shri. R.G. Jogalekar	C.A.,LL.B.	Secretary and Chief Accountant.
12. Shri. M.V. Chavan	--	Sugar godown keeper.
13. Shri. R.R. Deshpande	B.Com.	Storekeeper
14. Shri. M.G. Patwardhan	B.A.(Hon) B.com., AICWA.	Cost Accountant and Internal Auditor.
15. Shri. V.G. Desai	B.Sc.(Hon)	Research and Develop- ment Manager.
16. Shri. P.R. Nasalapurkar	Dip. in Auto- mobile Engg.	Agri. Engineer and Motor Transport Officer.
17. Shri. Y.P. Ghate	--	Branch Manager,Sangli Office.
18. Shri. S.S. Shirgaonkar	B.Sc.	Branch Manager, Bombay Office.
19. Shri. C. Narendranath	B.A.(Hon).	Branch Manager, Bangalore Office.
20. Shri. G.V. Bhat	B.Sc.D.M.M.	General Manager- Marketing.

Cont...

21. Shri. P.V. Jog M.B.B.S. Medical Officer.

The table 4.2. clearly shows that the person having adequate qualifications have occupied the positions in the Ugar Sugar Works. The table also shows that the technical and general qualifications have been fulfilled by the persons occupying these posts.

CHAIRMAN

At the top of the factory organization is the Board of Directors headed by its Chairman. He looks after the entire working of the factory.

MANAGING DIRECTOR

Immediately, below the Chairman and Board of Directors there is the Managing Director, who is incharge of the overall management of the factory divided into administrative and technical wings. They supervises, directs and guides the day to day administration of the factory.

SENIOR EXECUTIVE (ADMINISTRATION)

There is one Senior Executive who assists the M.D. in the management of the regular administration of the factory. He is a specialized officer in the administrative work of the factory.

MANAGING DIRECTOR (TECHNICAL)

To assist the managing director of the factory as regards the technical side after factory organization and management there is specialized officer immediately below the managing director designated as M.D. (Technical)

UNITS OF THE FACTORY ORGANISATION :-

To entire factory is organised into a various horizontal and vertical units as belows.

1) Office Superintendent :

This is the unit attached to administrative office under the control of M.D., the office superintendent helps the M.D. in matters of office works. He also acts as Personal Assistant to the M.D. The office superintendent is assisted in his work by assistants and clerical staff.

2) Labour Welfare Officer :-

This is the unit that looks offer the activities of the factory workers and acts as a liaison between factory management and the workers. There are two-sub-units in this section namely, (1) Time keeper and (2) Gate Keeper.

3) Factory Manager-cum-Assistant Secretary :

This unit assists the M.D. in the day-to-day working of the factory. The factory manager is also a Assistant Secretary. The sub-units in this section are (1) watch and ward office (2) Security officer, (3) Assistant Security Officer.

4) Production Manager :

He is incharge of the sugar production process in the factory. The production of sugar takes place under his direction and supervision. In this work he is assisted by subordinate and units in the discending order namely, Chief Chemist, Deputy Chief Chemist, Manufacturing Chemist,

Lab-in-charge, Lab-Chemist, Pan-in-Charge, Manufacturing assistants, Pan-mate, and workers.

5. Chief-Engineer (Mechanical) :

There is one chief-engineer in charge of mechanical work of the factory assisted by Deputy Chief Engineer, Foreman, Supervisors, Head fitters, and Assistant.

6. Chief Engineer (Civil) :

He works after the building construction works of the factory. He is assisted by civil overseers.

7. Secretary and Chief Accountant :-

To assist the M.D. in the execution of the policies and programmes of the factory administration and also maintenance of accounts of the factory, there is one officer designated secretary and chief accountant. He is, in his work assisted by additional accountants; Assistant accountants, Accountant supervisors, and clerks.

8. Sugar Godown Keeper :

He looks after the keeping of sugar bags into the godowns and maintains the record of number of sugar bags received and delivered out. He is assisted by clerks and workers.

9. Store-Keeper :

He keeps a record of the goods, commodities, purchased for the factory use and then issue for utilization. He is

assisted by assistant store keeper, and clerks.

10. Cost Accountant/ Internal Auditor :

He advises the management as regards the cost production and also acts as internal auditor of the factory accounts. He assisted by assistants and clerks.

11. Research and Development Manager :

This unit is engaged in research work in the field of sugar cane development and water management. He is assisted by Research and Development-cum-Cane Development Officer and clerks,

12. Agricultural Engineering and Motor Transport Officer :

This officer has dual responsibilities. As an agricultural engineer he looks after land development and land levelling, soil, testing and conservation etc. so as to promote the fertility and productivity of the land. As transport officer, he manage vehicle development by way of the maintenance ~~and~~ repairs transport work disposal of the outmethod ones and requirements of new vehicles of different types.

13. Branch Manager of Sangli Office :

The registered office of the factory is at Sangli: (Maharashtra) managed by a branch manager, and the location of the factory at Ugar-Khurd (Belgaum,district Karnataka).

14. Manager at Branch Office :

The factory has two branch offices, one is at Bangalore and other in Bombay, each offices headed by a manager.

15. Marketing Officer :

To manage and promote the sale of the factory production there is one marketing officers.

16. Medical Officer :

There is one full fledged hospital providing for health services namely " Dr. Shirgaonkar Smarak Arogya Mandir ". There is one medical officer appointed by the factory to look after the health services.

The duties to various position have been carried out by concerned person, therefore the smooth running of the factory is possible.

4.9. DEVELOPMENT OF UGAR SUGAR WORKS :

It is one of the oldest sugar factories in the Karnataka State and the first to grow economically and successfully sugarcane on lift irrigation on the River Krishna. Eventhough the Company was started in 1939-40 it had its first crushing season in 1942-43. From the very beginning it was obvious that the lands and climate were suitable for sugarcane cultivation and

were very favourable for high sugar recovery. In the year 1946-47 the factory ended with a sugar recovery of 13.46 and stood first in the undivided India for sugar recovery. The recovery figures continued to be very high as a glance at the following table^{4.2} will indicate :

1957-58	..	12.14 %
1958-59	..	12.28 %
1959-60	..	12.40 %
1960-61	..	12.14 %
1961-62	..	12.53 %
1962-63	..	12.68 %

This was mainly because over 65 % of the cane was grown on the Company's estate under strict scientific supervision and also because over 95 % of the crush was Co-419. After the large-scale introduction of Co-740, the per acre yields rose but the recovery started going slightly down. This was also due to the fact that the percentage of company grown cane and cultivators' cane changed drastically as more and more cultivators found cane growing profitable on lift irrigation schemes using electricity.

We have seen the concept and factors of development of USW in general. Now we are analysing the conditions of USW in particular with some internal and external aspects. The attempt has been made to analysis the development of the factory from two aspects i.e. in the internal aspect,

the production, financial situation and the labour welfare facilities etc. have been included. In the external aspect, the contribution of the factory to the area of operation in the form of irrigation facilities and some other facilities like education and medical are included.

EXPANSION OF THE FACTORY :

The smooth and economical running of the factory having been established and the area under sugarcane being on the increase necessitates to expand the existing plant.

1. The first 500 T.C.D. plant was established in the year 1939. It was purchased from the Laximiji Sugar Mills, Ltd. Mahali (U.P.)
2. The permission for first expansion capacity from 500 T.C.D. to 800 T.C.D. was obtained in the year 1954, and expansion work was completed under the efficient supervision of Shri. P.L. Chakradeo.
3. The second expansion from 800 T.C.D. to 1200 T.C.D. permission from Union Government was obtained in the year 1960. This expansion become urgent due to the increase in the sugarcane area.. A new milling Tandem was erected in time by Shri. B.L. Chakradeo. In order to achieve economy in steam consumption all the steam driven units were gradually replaced by electric drive.

4. The third expansion from 1200 T.C.D. to 2000 T.C.D. was completed in the year 1967-70. This expansion became urgent due to sudden fall in the recovery of sugar after the month of March, which makes it uneconomical to continue the season longer and to crush all the available sugarcane in reasonable time.
5. The fourth expansion from 2000 T.C.D. to 3000 T.C.D. permission was obtained in the year 1976-77.
6. The fifth expansion from 3000 T.C.D. to 5000 T.C.D. is achieved in the year 1987-88 which is the maximum sugarcane crushing capacity compared to neighbouring sugar factories.

As an allied concern, a distillery unit was established in the year 1963. The objective was to produce industrial and portable alcohol out of molasses which was otherwise destroyed by dumping it into the river. The plant was constructed at a cost of Rs. 11,71,000/- with a capacity of 5000 gallons of industrial alcohol per day.

On the background of the expansion of sugarcane crushing capacity, of Ugar Sugar Works, the data regarding position of production for the last 25 years has been shown table.

TABLE NO. 4.3.

FINANCIAL POSITION FOR THE LAST 25 YEARS.

Year Ending	RESERVE & SURPLUS		FIXED ASSETS		Rate of Dividend on Equity Shares.
	(Rs.in lakhs)	%	(Rs.in lakhs)	%	
June					
1962	38.01	100.00	78.44	100.00	12
1963	44.48	117.02	110.58	140.07	6
1964	49.73	130.83	105.00	133.86	15
1965	60.48	159.69	103.00	131.30	15
1966	62.61	165.71	100.71	128.39	15
1967 +	35.34	92.97	115.53	147.47	12.5
1968	47.50	125.96	174.25	122.14	12
1969	58.72	154.48	217.64	277.46	10
1970	51.69	135.99	202.80	258.54	--
1971	73.68	193.84	181.06	230.82	14
1972	90.02	236.83	173.90	221.69	20
1973	110.47	290.63	174.21	222.00	15
1974*	70.60	185.74	207.60	264.66	--
1975	89.72	236.04	196.89	251.00	8
1976	97.88	257.51	258.71	329.81	15
1977	109.58	288.29	251.57	320.71	15
1978	113.44	298.44	235.47	300.19	10
1979	109.18	187.24	210.71	268.62	9
1980	40.78	107.28	233.99	298.30	--

Table No. 4.3.(cont.)

1	2	3	4	5	6
1981	46.71	122.88	213.62	272.33	--
1982	44.95	118.25	195.25	248.91	10
1983	54.08	142.27	180.65	230.30	12
1984	72.23	190.02	208.40	265.68	15
Septem- ber.					
1985	86.65	227.96	260.10	331.59	--
1986	112.57	296.15	285.24	363.04	15

Notes :-

- * Bonus shares of the value of Rs. 7,47,400/- Rs. 10,65,200/- and Rs. 16,81,600/- were issued as fully paid shares in 1950-51,
- + Shares of the face value of Rs. 13,26,000/- were issued to the holders of preference 'A' shares out of reserves at the time of conversion of preference in to equity shares.

As far as possible, the factory has maintained stability in declaring dividend to the share holders, during the year 1970, 1974, 1980 and 1981, it did not declared the dividend. The main reasons were that the company did not earn sufficient profit due to functioning of factory for a short period, where the function was affected due to shortage of sugarcane in the year 1970. The company capitalized its profit of 1970.

The company did not declare the dividend ~~the~~ 1980 because of stoppage of production due to cane-growers strikes which inflicted heavy loss on the factory, Besides the company was not in a position to declare the dividend in 1981, because of the carried forward loss and non-functioning of the ~~factory~~ for certain period. The smooth functioning was affected by shortage of sugarcane.

The company has strengthened it's capital position by capitalizing its profit. However the rate of dividend is varying from 6 % to 15 % during the years which is appropriate for getting ready response for the share in the market.

The fixed assets occupy the predominant place in raising the capacity of production, where huge investment is made permanently. The table 4.3 indicates that every year as far as possible the company is trying to increase the value of fixed assets. But there is no constant increase in the total value of fixed assets. Further the table also reveals that

there is fluctuating trend in fixed assets. If 1962 and 1964 years are taken as a base, then it has been more than tripped upto 1986-88.

From table 4.3 we can conclude that the company has kept considerable amount of reserves which went on gradually increasing every year which ultimately speaks, about the financial strength which the company has in order to face the contingencies due to unpredictable event. The company has made very fine image in maintaining the stability in the rate of dividend. So there will be a good response from people from whom additional finance is required to be raised. The company has made gradual progress in crushing the sugar-cane and production of sugar over 25 years. The company has made remarkable contribution to its financial position by capitalizing the profit. However, it would have been better if the company would have increased the rate of dividend because in the present days we find intensive competition in all fields and people favour to invest their amount in that field which will reward them for the investment.

TABLE NO.4.4.

Financial Position of USW.(1980-1987)

	<u>1980</u> (Rs.in crores)	<u>1987</u> (Rs.in crores)
Authorised share Capital	2	2
Share capital (issued & subscribed)	1.0089	1.0089
Reserve and Surplus	0.41	0.41

Table No.4.4.(cont.)

	<u>1980</u>	<u>1987</u>
Secured loan	0.0066	1.61
Unsecured loan	0.35	0.0062
Investment	0.03	1.73
Fixed Asset	2.34	2.95
Loans and Advances	5.81	13.18
Liabilities	9.46	13.87
Profit & Loss	(-) 1.06	(+) 0.0033

The Table No.4.4 reveals the situation of balancesheet of Ugar Sugar Works the during the year 1980 and 1987. During the period profits increased by 33 thousands, in place of loss by 1.06 crores earlier (1980). Each and every item of financial aspect has increased tremendously.

TABLE NO.4.5DISTRIBUTION OF SHARE HOLDING OF UGAR SUGAR WORKS LTD.

Position as on 30th June 1980	Position as on Sept. 1987		Volume of Change			
	No. of shareholders.	No. of shares held.	No. of Share holder.	No of shares held.		
1 to 10	1,734	7,220	2,548	11,691	+	+
11 to 50	708	16,140	1,014	21,314	+	+
51 to 100	185	13,012	193	13,544	+	+
101 to 1000	121	27,027	106	23,327	-	-
1001 to above 16	16	37,497	14	31,020	-	-
TOTAL	2,764	1,00,896	3,875	1,00,896	+	--

Table No.4.5 shows the variations in the distribution of share holding of Ugar Sugar Works.

The shares valued Rs. 101 and above shows a decline while the shares values 1 to 100 increased. However, the total number of share holders increased by 1111, while the number of shares held remain the same.

Thus, Ugar Sugar Works, having better financial position able to distribute dividend to its share members. While the cooperative sugar works are not interested in dividend distribution. Ugar Sugar Works, as a company, tries to maintain goodwill of share members.