

# *Chapter - 4*

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## CHAPTER -4

### THE FINANCIAL POSITION OF SHRI MAHANKALI CO- OPERATIVE SUGAR FACTORY IN KAVATHE MAHANKAL

- 4.1 Share Capital
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## CHAPTER -4

### **THE FINANCIAL POSITION OF SHRI MAHANKALI CO-OPERATIVE SUGAR FACTORY IN KAVATHE MAHANKAL**

Financial position of any business organisation is the mirror of its progress and prospect particularly in the case of co-operative sugar factory. The financial position of the Shri. Mahankali co-operative sugar factory Kavathe Mahankal Ltd., Rajarambaunagar was studied in respect of the following aspects. 1) Share Capital 2) Deposits 3) Reserve Fund 4) Borrowings 5) Working Capital 6) Investment 6.1) Investment in fixed assets 6.2) Investment of money by sugar factory. 6.3) Investment in current assets. 7) Profit ( Gross & Net) 8) Capital expenditure 9) Income of the factory.

#### **4.1] SHARE CAPITAL**

It is quite obvious that the financial strength of the co-operative institution depends upon its ability to raise share capital. The large the amount of share capital collected the sound would be the financial position of the factory, Share capital membership and financial

positions of the Mahankali co-operative sugar factory was given in Table 4.1.

**TABLE NO. 4.1**

**Financial Position of the Mahankali Co-operative Sugar Factory**

Sr. No.	Financial Position	Amount Rs
1.	Producer Members (Numbers)	3529
2.	Share Solid (Number)	4190
3.	Share Capital Contributed (Rs.)	66,98266
4.	Ordinary Members	33
5.	Shares Sold to ordinary members (No.)	33
6.	Ordinary members share capital contribution	29498
7.	Share capital contributed by co-operatives	42981
8.	Share sold to co-operatives (Nos.)	26
9.	Govt. contribution share capital (Rs.)	28650000

Source : Compiled from Annual reports of the factory

The financial position of the factory showed that it was successful in collection more than 66 lakhs from the cultivators by way of share capital. More over heavy capital contribution of Rs. 286 lakhs was made by the Govt.

At the initial period of working of the factory the total number of farmer members were around 1398 in the year 1982. In the subsequent period the farmers in the area became aware of the advantages of enrolling themselves, as the members of the factory. Rich farmers voluntarily came ahead for enrolling themselves as the members of the factory.

Considering the economic condition of the small farmers the long term loans were granted from the Sangli District Central co-operative Bank of Rs. 1000 per share. As result, the membership of the factory increased.

**TABLE 4.2**

**Share Capital and Share Holders in 1999-2000**

Class of Share holders	Total Members	Total Shares	Share amount recovered (in lakha)
A) Producers Members 'A' class	6687	7250	183.62
B) Institution 'B' class members	56	68	1.48
C) Industrial members	35	35	0.57
Maharashtra Govt.	1	4775	95.50
Total	6779	12128	281.17

Source : Compiled from Annual Reports of the factory

It is seen from Table 4.2 that the Mahankali Co-operative sugar factory has made repayment of Maharashtra Government share capital regularly. At the end of 31-3-2000 out of Rs. 286.50 lakhs share capital of Maharashtra Government an amount of Rs. 191.00 lakhs were repaid and Rs. 95.50 lakhs were to be paid yet. This shows good financial position of this factory.

#### **4.1.1 GROWTH OF THE SHARE CAPITAL OF THE FACTORY**

In 1982-83 the aggregate share capital of the factory was to Rs. 62.38 lakhs, which gradually increased and reached to 230.51 lakhs in 1983-84 and the 1999-2000 Rs. 281.17 lakhs. Registering absolute increase of 218.79 lakhs over 1982-83. The share capital has much concern with capacity to borrow. More the share capital more can be borrowed for the purpose of business from the outside sources. As we observed that the amount of share capital has increased during the 1982 to 1999. This increase has also enabled the factory to borrow more than before.

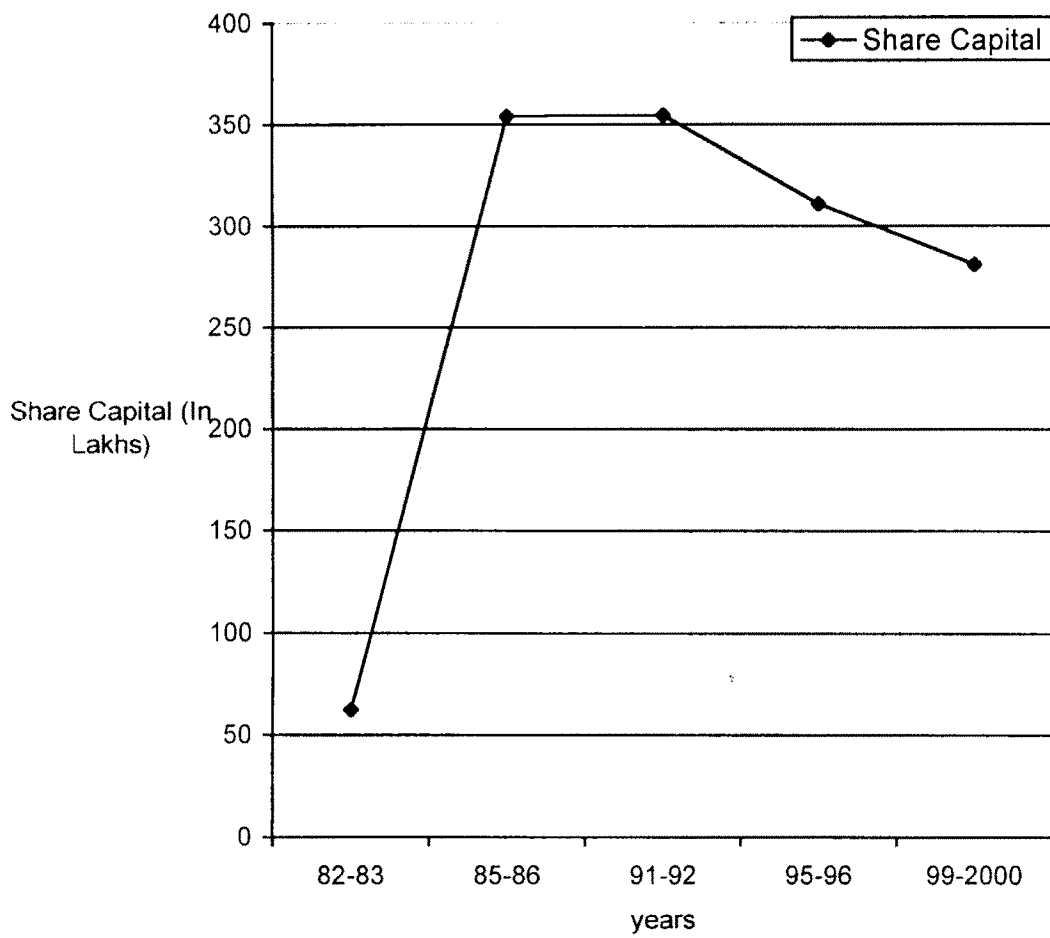
Table 4.3 shows the progress in share capital of the factory during 1982.83 -1999-2000

**TABLE NO. 4.3**  
**Progress in share capital**

Year	Total Capital (Rs. Lakhs)	Govt. Contribution	Net contribution of factory (Rs.Lakhs)	Absolute Increase (Rs. Lakhs)
1982-83	62.38	35.00	27.38	-
1985-86	354.20	286.50	67.70	+ 40.32
1991-92	354.88	268.50	86.38	+ 18.38
1995-96	311.13	195.40	115.73	+ 29.35
1999-00	281.17	95.50	185.67	+ 69.94

Source : Compiled from Annual Reports of the factory.

From Table 4.3 it is observed that share capital increased from the extent of 218.79 lakhs in year 1999-2000 as compared to the year 1982-83 which indicates 350.73% Growth. However there is absolute increase from 27.38 lakhs to 185.67 lakhs in net contribution of members & institutions. It means that there is net increase of 158.29 lakhs as compared to the year 1982-83 i.e. 578.12 % increase. The Govt.'s contribution has been declining which reflects sound financial condition of the factory.

**GRAPH NO. 4.3****PROGRESS IN SHARE CAPITAL**



## 4.2 DEPOSITS

In a developing economy like ours savings of the society set limit to development process.

Although the income of the persons are low, they are partly saved owing to the operation of subjective factors like thriftiness desires to build fortune. In the absence of saving institutions like post office, banks, credit societies etc organised efforts made to mobilize savings in the area of the Mahankali co-operative sugar factory. People in the area used to hoard them in various trade form. This type of hoarding undermines development efforts. It is in this context the role of co-operative institution like co-operative sugar factory. Co-operative society is imperative as it transformes potential trade hurding into institution alised saving.

The rural people in the areas around the factory are sufficiently convinced about the safety and profitability of their saving especially in the sugar factory. This fact can be scrutinized from the following table which shows how share capital of the factory has been increased during the period from 1985 to 2000

TABLE NO. 4.4

**Deposits of members of Mahankali Co-operative Sugar Factory  
(In Lakhs)**

Year	Deposits (Rs. Lakhs)	Absolute Increase (Rs Lakhs)	Working Capital (Rs. Lakhs)	% of deposits to working capital
1985-86	11.92	-	1254.21	0.95
1991-92	662.16	+650.24	2123.91	31.18
1995-96	876.26	+ 214.10	3620.78	29.20
1999-2000	808.05	- 68.21	5805.82	13.92

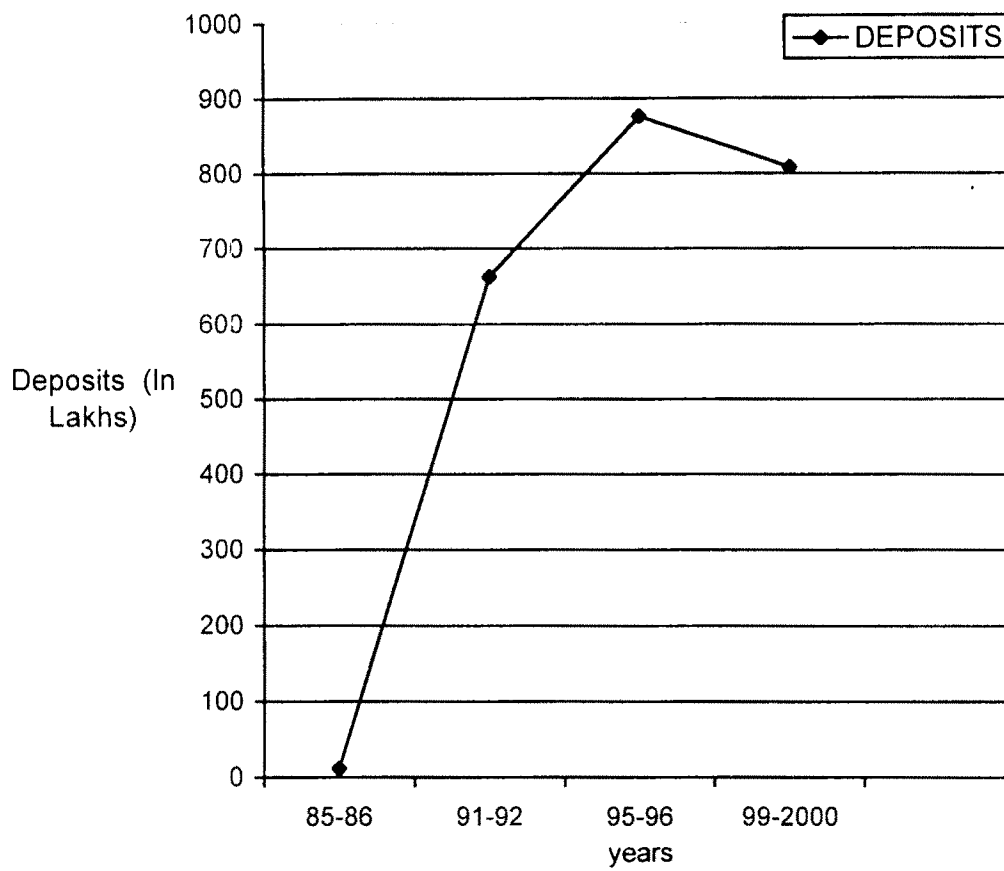
Source : Compiled from Annual Reports of the factory.

From table No. 4.4 it is seen that the deposits amount was 11.92 lakhs in 1985-86 which was increased to 662.16 in 1991-92, 876.26 lakhs in 1995-96 and marginally reduced to 808.05 lakhs in 1999-2000.

In 1985-86 the working capital of the factory was 1254.21 lakhs in 1985-86 which raised to Rs. 2123.91 lakh in 1991-92 and further increased to Rs. 3620.7 lakh in 1995-96 and Rs. 5805.82 in 1999-2000.

**GRAPH NO. 4.4**

**DEPOSITS OF MEMBERS OF MAHANKALI CO-OP SUGAR  
FACTORY.**



### 4.3 RESERVE FUNDS

The term reserve means that something has been kept for the future use or emergency.

In other words reserve fund is a part of capital which is set aside from net profit for meeting any known or unknown contingency. The sugar factory is also expected to build up reserve funds out of its profits.

**TABLE NO. 4.5**

**Reserve Funds of Mahankali Factory**

Year	Reserve Fund (Rs. Lakhs)	Absolute Increase (Rs. Lakhs)	Working Capital (Rs. Lakhs)	Reserve fund % to working capital (Rs. Lakhs)
1985-86	218.16	-	1254.21	17.39
1991-92	705.02	486.86	2123.91	33.19
1995-96	1203.51	498.49	3620.78	33.23
1999-00	1634.84	431.33	5805.82	28.15

Source : Compiled from Annual Reports of the factory.

It seems from the table that factory has increased its reserve fund from Rs. 218.16 lakhs in 1985-86 to Rs. 1634.84 lakhs in 1999-2000.

The percentage of reserve funds to working capital was invariably varied between 17.29 to 33.19% in the period 1985-86 to 1999-2000. The increasing amount of reserve fund is one of the proofs of the viability of Shri Mahankali Co-operative sugar factory Kavathe Mahankal. Thus it showed that factory has been making continuous progress in reserve fund over a period of time. As a result, reserve fund as % to working capital showed upward trend.

#### **4.4 BORROWINGS :-**

The Mahankali Co-operative Sugar factory required to borrow from the various agencies. This borrowing is long term as well as short term. The long term borrowing is undertaken for the purpose of making capital investment by way of installation of the machinery.

The life insurance corporation, I.F.C. land development Bank, district central co-operative bank and the Apex Co-operative Banks are the agencies which financed the long term credit to the factory. The factory also needs loans for the short term operations like procurement of sugarcane, payment of salaries, workshop expenses etc. such short or medium term loans are procured commercial banks, the Districts Central Co-operative Bank.

As the factory has been growing in size its financial requirement have also been increased consequently the borrowing of the factory has been expanded.

**TABLE 4.6**

**The Borrowings of the Factory (Rs. Lakhs)**

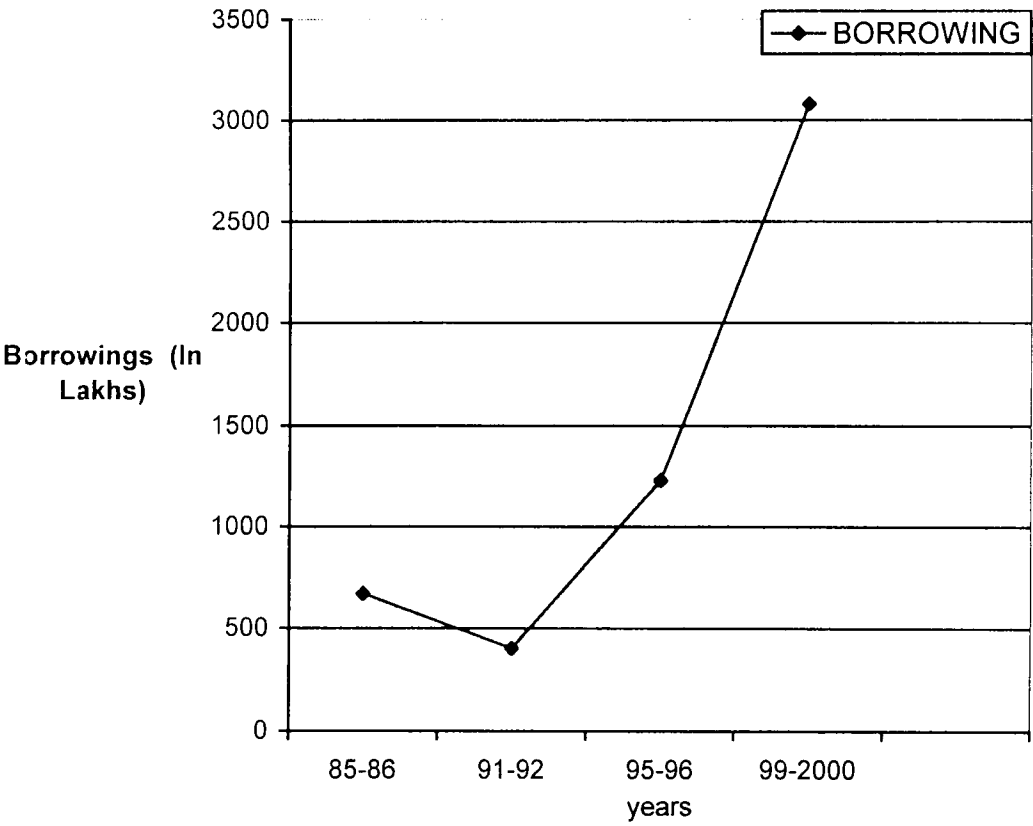
Year	Borrowings (Rs. Lakh)	Absolute Increase (Rs. Lakhs)	Working Capital (Rs. Lakhs)	Borrowing % to working capital
1985-86	669.93	-	1254.21	53.42
1991-92	401.85	268.08	2123.91	18.92
1995-96	1229.88	828.03	3620.78	33.97
1999-2000	3081.76	1851.88	5805.82	53.08

Source : Compiled from Annual Reports of Factory.

It seems from the table No. 4.6 that amount borrowed and which was outstanding by the end of financial year 1985-86 was 669.93 lakhs. The same was increased and at the end of financial year 1999-2000 it reached to the level of 3081.76 lakhs.

The borrowing are the important source to the working capital during the period under review. The percentage of the borrowing to the total working capital was invariably between 18.92 to 53.08%.

**GRAPH NO. 4.6**  
**THE BORROWING OF THE FACTORY.**



The percentage increase of borrowing was observed 360.01% during 1985-86 to 1999-2000.

#### 4.5 COMPOSITION OF WORKING CAPITAL

The working capital of the sugar factory which determines its ability to function consists of the share capital, borrowings, deposits and reserve funds.

The table No. 4.7 high-lights the fact that working capital of the factory has increased during 1985-1986 to 1999-2000

**TABLE 4.7**

#### **The Working Capital of the Factory**

Year	Working Capital Rs. Lakhs	Absolute Increase	Sale in Lakhs	Working capital as % to sales
1985-86	1254.21	-	591.87	211.90
1991-92	2123.91	869.70	2504.65	84.79
1995-96	3620.78	1496.09	3735.00	96.94
1999-2000	5805.82	2185.04	6758.73	85.90

Source : Compiled from Annual Reports of the factory.

This working capital was Rs. 1254.21 lakhs in 1985-86. The working capital is increased gradually for every year from 1985-86 and reached to highest of Rs. 5805.82 lakhs in year 1999-2000. This



shows the ability of Mahankali Co-operative Sugar factory and sound financial position for expansion. The percentage of working capital to sale was very high (211.90%) in initial period of 1985-86 which is then reduced in between 84.79% to 96.94% per subsequent period from 1985-86 to 1999-2000.

**TABLE NO. 4.8**

**Composition of Working Capital (1985-86 to 1999-2000)**

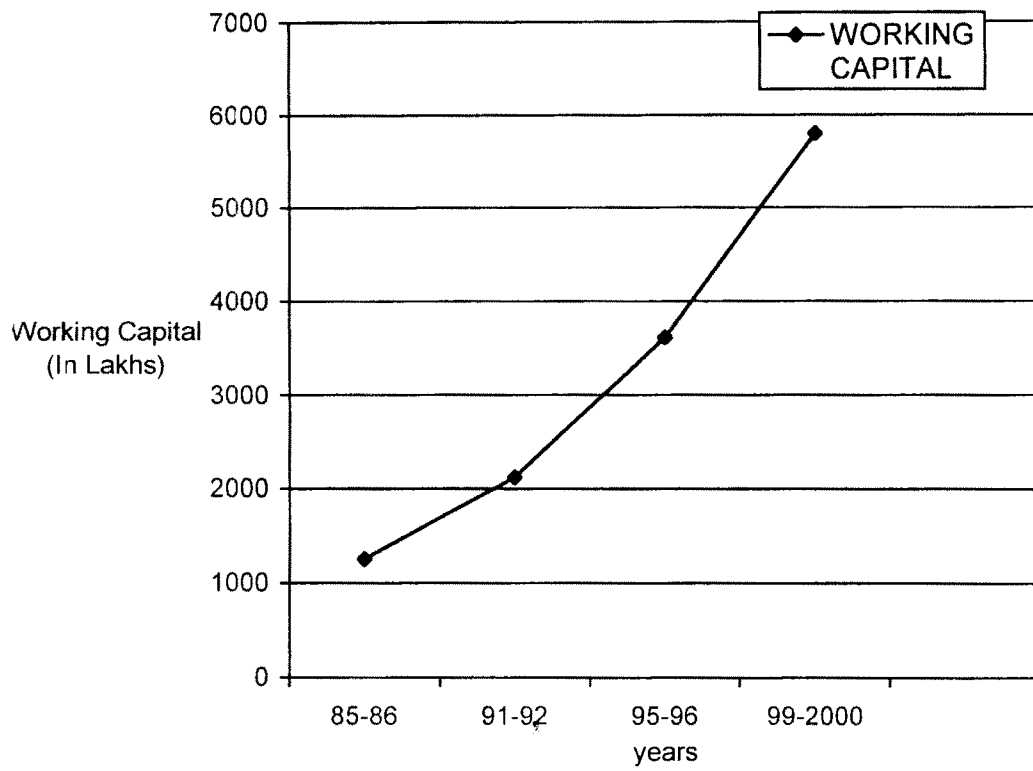
Particulars	YEARS			
	1985-86	1991-92	1995-96	1999-2000
Share Capital (In Lakhs)	354.20 (28.24)	354.88 (16.71)	311.13 (8.59)	281.17 (4.84)
Reserve Funds (In Lakhs)	218.16 (17.39)	705.02 (33.19)	1203.51 (33.34)	1634.84 (28.16)
Deposits (In Lakhs)	11.92 (0.95)	662.16 (31.18)	876.26 (24.20)	808.05 (13.92)
Borrowing (In Lakhs)	669.93 (53.42)	401.85 (18.92)	1229.88 (33.97)	3081.76 (53.08)
Total working capital (in lakhs)	1254.21 (100%)	2123.91 (100%)	3620.78 (100%)	5805.82 (100%)

Source : Compiled from Annual Reports of the factory ( Figures in bracket shows the percentages)

The fact of the composition of the working capital is seen from the table no. 4.8 which shows that proportion of the share capital in the total working capital was significant during the initial period in year 1985-86 it was 28.24% of working capital.

**GRAPH NO. 4.8**

**COMPOSITION OF WORKING CAPITAL**



The proportion of share capital in the subsequent period i.e. especially after 1985-86, however, reduced to the significant levels. In 1999-2000 that was 4.84% of the total working capital. The case of reserve fund is exactly the reverse. Contribution of deposits was very low in year 1985-86 which was increased to 31.18% in 1991-92 and reduced to 24.20% in 1995-96 and again it is reduced to 13.92% in year 1999-2000. Contribution of borrowing in the working capital was very high i.e. 53.42% in initial period of 1985-86 and again increased to 53.08% in 1999-2000.

#### **4.6 INVESTMENT IN FIXED ASSETS**

The following are the items which are carried out under investment in fixed capital assets by the Mahankali Co-operative Sugar Factory.

- 1] Land development of site
- 2] Roads and Fencing
- 3] Factory premises and other construction.

i.e. main factory building, workshop, spray ponds, pump house, steel molasses tank, way bridges, Go-downs, laboratory, caneyard store building, fertilizer Godown, sulphur Godown,

condence water tanks, service reservior, lime and soda mixer tank, molasis delivery tank, multipurpose shades cycle stand etc.

4] Office and other buildings i.e. office premises, security office and rest house, offices of the time keeper and cane supervisar canteen building, irrigation and agriculture office, fire lighter building, account office, Agriculture circle office etc.

5] Residential quarters i.e. staff quarters, Guest house, school building etc.

6] Housing for labour.

7] Irrigation and water supply wells, pipe lines water works.

8] Machinery for sugar production and other machinery.

9] Vehicles

10] Tools and equipment's.

11] Electric installation and fittings electrical installation, temporary electric fittings, telephone installation etc.

12] Other works i.e. sanitary stocks, fuel storage tank and its office building garages etc.

From the intensive account of fixed assets, given earlier, it can be visualized that how work of factory is of varied nature. The

installation or creation of this fixed assets has provided the work to the people residing adjacent to the factory. So also this fixed assets needs maintenance which is usually undertaken with the help of permanent staff and casual or seasonal labour employed from the areas around the factory. This helps in increasing the social and financial condition of the people in jurisdiction of factory.

**TABLE 4.9**

**Investment in Fixed Capital Assets (Basic Cost.)**

Year	Investment in fixed capital assets (in Lakhs)	Working capital (in Lakhs)	Percentage of fixed assets to working capital
1985-86	852.35	1254.21	67.95
1991-92	1219.80	2123.91	57.43
1995-96	1611.38	3620.78	44.50
1999-2000	2091.27	5805.82	36.02

Source : Compiled from Annual Reports of the factory

The investment in the fixed capital was small in 1985-86 i.e. 852.35 lakhs (67.95% of working capital) during the subsequent period when the factory was expanded its operations, the investment in the fixed capital has also been increased, reached to the height of

Rs. 2091.27 lakhs being 36.02% of the total working capital. When the fixed capital investment is related to the working capital of the factory, its relative largness can be seen. In 1985-86 the percentage of fixed assets was 67.95% of working capital which continuously reduced and in 1999-2000 it was 36.02% of the total working capital.

#### **4.6.1 Financial Investment :**

The factory has invested monetary resources by way of purchasing the shares of institutions and co-operative societies. Thus the sugar factory is the shares holders in several co-operative societies and invested in certificate, bonds such as

1. National saving certificates
2. Industrial finance corporation bonds.
3. Purchase of debentures of companies
4. Fixed deposits for longterm
5. Other investments.

**TABLE 4.10**  
**Financial Investment of Sugar Factory (Rs. Lakhs)**

Year	Investment (Rs. Lakhs)	Working Capital (Rs. Lakhs)	Percentage of investment to working capital
1985-86	1.13	1254.21	0.09
1991-92	4.11	2123.91	0.19
1995-96	4.59	3620.78	0.12
1999-2000	41.52	5805.82	0.71

Source : Compiled from Annual Reports of the factory.

The total amount of investment so far made by the factory was to the extent of 41.52 lakhs in 1999-2000 which was just 0.71% of the total working capital of that year. (Table 4.10) Although the investment made by the factory in relation to total financial transaction appears to be small, its importance cannot be over looked. Because of such investment, factory has tied its business relations with the several co-operative societies.

#### **4.6.2 Investment In Current Assets:**

The factory in order to undertake manufacturing activities, needs some raw materials so also it has to store the finished products. This activities needs finance. The investment made in such floating

asset is referred to as current assets generally it includes : 1) Stock as spare parts and raw material 2) Stock of sugar 3) Stock of fertilizers 4) Stock of Molasses

**TABLE 4.11**

**Current Assets of the factory**

Year	Current Assets (Rs. Lakhs)	Working Capital (Rs. Lakhs)	Percentage of fixed assets to working capital
1985-86	129.53	1254.21	10.32
1991-92	1530.58	2123.91	72.06
1995-96	3103.86	3620.78	85.72
1999-2000	6045.98	5805.82	104.13

Source :- Annual Reports of the factory.

Table No. 4.11 shows that the finance invested in current assets has been gradually increased from 129.53 lakhs in 1985-86 to Rs. 6045.98 lakhs in 1999-2000 which is 104.13% of the total working capital in 1999-2000. Out of current investment of Rs. 6045.98 lakhs in 1999-2000 the amount of stock of sugar and sub -products was Rs. 5881.74 lakhs. Due to this huge amount the total amount of current investment seems to be 104.13% the working capital. Thus it seems



**TABLE 4.12**  
**GROSS PROFIT OF THE FACTORY**

Year	Debit Side					Credit Side			
	Opening stock of sugar	Manufacturing cost of sugar	Expenses relating to sale of sugar	Sale of Sugar	Closing stock of sugar	Excise duty rebate & other sub product sale	Sub-total Dr. side of trading A/C (Col. 2+3+4)	Cr. Side of Trading A/c. (Col. 5+6+7)	Gross Profit (Col-9 Col-8)
1	2	3	4	5	6	7	8	9	10
1985-86	-	585.23	71.40	466.13	100.80	16.21	656.63	583.14	-73.49
1991-92	1371.74	2070.25	381.98	2475.45	1376.36	132.91	3823.97	3984.72	+160.75
1995-96	2596.00	3598.03	653.60	4163.90	2909.27	367.03	6847.63	7440.20	592.57
1999-00	3574.69	5981.31	777.11	4953.80	5769.68	215.87	10333.11	10929.35	596.24

Source : Annual Reports of the factory.

that the factory needs to hold major portion of the current assets in the form of sugar which subsequently is to be sold in the market.

#### **4.7 PROFIT.**

The sugar is produced in the factory. The amount of expenditure for such production is considered in earlier section. After the production, the sugar is required to be sold in the market.

This marketing entails the following trading expenditures.

1. Excise duty
2. Transport of Sugar
3. Expenditure on excise staff
4. Expenditure for sale of sugar
5. Commission etc.

The above expenditure was expanded as and when production of sugar expanded, in year 1985-86 the expenditure on the above account was 71.40 lakhs. In subsequent period it rose and reached to Rs. 777.11 lakhs in 1999-2000 (Table No. 4.12)

The gross profit after the sale of sugar accrued is calculated with help of the following formulas.

(Sale of sugar + excise rebate + closing stock of sugar) - (Opening stock of sugar + Manufacturing cost + trading expenses) = Gross Profit

It is observed that the Gross Profit accrued to the factory is changing for every year. Gross profit too the year 1995-96 was abruptly increased to 592.57 lakhs and that it is increased to 596.24 lakhs in year 1999-2000. At initial period factory had to suffer loss of 73.48 lakhs. However subsequence period factory has made positive re-achievement.

**TABLE NO. 4.13**

**A) Gross profit as percentage to working capital (Rs. In Lakhs)**

Year	Working Capital	Gross Profit	Sugar bag production	Gross profit per bag of sugar production	% of gross profit to working capital
1985-86	1254.21	- 73.48	1.19	-	-
1991-92	2123.91	160.75	3.52	45	7.56
1995-96	3620.78	592.57	4.12	143	16.36
1999-00	5805.82	596.24	5.32	112	10.26

Source : Annual reports of the factory

It seems that the percentage of gross profit to working capital was usually fluctuating between 0 to 16.36% of the total working capital during the period under review i.e. 1985 to 1999-2000, where as the gross profit accrued per bag of sugar produced was varying between 0 and 143 in the same period.

### NET PROFIT

Table No. 4.14 and 4.15 shows that the details of the net profits accrued to the factory.

**TABLE 4.14**

#### **B) Net Profit ( Rs. In Lakhs)**

Year	Gross Profit	Net Profit	Net Loss	Ratio of net profit to gross profit	% of gross profit to net profit	Sale of sugar	% of net profit to sale of sugar	% of gross profit to sale of sugar
1985-86	-73.48	-	310.17	-	-	466.13	-	-
1991-92	160.75	2.51	-	1:0:016	1.6	2475.45	0.10	6.49
1995-96	592.57	0.16	-	1:0.0003	0.03	4163.96	0.003	14.23
1999-00	596.24	4.78	-	1:00008	0.8	4953.80	0.09	12.03

Source : Compiled from Annual Report of the factory

**TABLE NO. 4.15****Increase in Profits of Business (Rs. On Lakhs)**

Year	Net Profits	Working Capital	Percentage of net profits to working capital
1985-86	-	1254.21	-
1991-92	2.51	2123.91	0.12
1995-96	0.16	3620.78	0.004
1999-2000	4.78	5805.82	0.08

Source : Compiled from Annual Report of Factory

The gross profit of factory as we have seen already, increased at fluctuation rate from Rs. 160.75 lakhs in 1991-92 and ultimately it reached to Rs. 596.24 lakhs in 1999-2000 whereas the net profits increased from 2.51 lakhs in 1991-92 and reached to Rs. 4.78 lakhs in 1999-200. Percentage of gross profit to sale of sugar was invariably fluctuating and was in between 6% to 12% Whereas the percentage of net profit to sale was around the 1% during the period under review. Percentage of net profit to working capital was also below 1%. Thus it seems from the financial data that the net profit accrued to the sugar factory was not of the level which could be treated as satisfactory in any business. However, the test of success of co-operative sugar factory does not necessarily be viewed from smallness or longness of

its net profit, but it is to be viewed from the scale of economic activities generated by the sugar factory.

The Mahankali Co-operative Sugar factory despite the fact of earning small net profit is successful in gearing the rural economic developments. The social net product which was directly or indirectly effected by this factory is for more than what it is earned by the factory by way of the net profit.

#### **4.8 CAPITAL EXPENDITURE**

The total amount of capital expenditure incurred by the Shri Mahankali Co-operative sugar factory during the period from 1999-2000 was to the tune of Rs. 8757.14 lakhs. Out of this amount 5095.50 was the capital which was given by the Maharashtra Government as share capital on refundable basis and the rest of the amount was contributed by the factory from its own incomes.

So far the factory has repaid the capital instalments of Government of Maharashtra amounting Rs. 191.00 lakhs, up to 1999-2000.

The office expenses administration expenses and also the expenses and also the expenses regarding production and sale has

been increased without regard, to sale of production due to rising prices of various items on which expenditure was incurred. Aggregate expenditure on production and sale of sugar is given in Table No. 4.16 below.

**TABLE NO. 4.16**

**Total Cost of Sugar on per bag of Sugar Produced (Rs. In lakhs)**

Year	Bag of sugar produced in lakhs	Cost in Rs.	Cost per bag in Rs.
1985-86	1.19	585.23	492
1991-92	3.52	2070.25	588
1995-96	4.12	3598.03	473
1999-2000	5.32	6249.66	1174

Source : Compiled for Annual Reports of the factory

The total cost of sugar includes manufacturing cost, and office, administrative expenses. The same are shown in the table no. 4.16 an aggregate amount spent on sugar production and sale was Rs. 585.23 lakhs in 1985-86. It rose to 6249.66 lakhs in 1999-2000. This shows that the cost per bag increased from Rs. 492 in 1985-86 to Rs. 1174 in 1999-2000.

#### 4.9 INCOME OF THE FACTORY

Table No. 4.17 gives the details of the income of the factory from the sources other than sale of sugar. These includes interest received on outside investment, income from transport conveyances rent on accommodations, dividend received, income from transport conveyance, income from agricultural and like other items, such as petrol, bagase, presumed sale.

**TABLE 4.17**

**Sources of Income of the Sugar Factory (1985-2000) (Rs. In Lakhs)**

Year	Gross Trading Income from the sugar (1)	Such as petrol, sale and other (2)	Grand Total (1 + 2)
1985-86	466.13	16.21	482.34
1991-92	2475.45	132.92	2608.37
1995-96	4163.90	367.03	4530.93
1999-00	4953.80	244.62	5198.42

Source : Compiled from Annual Reports of the factory.

At the initial period i.e. in 1985-86 the income from the above sources was Rs. 482.34 lakh. In subsequent period it rose and reached to Rs. 5198.42 lakhs in 1999-2000.



**TABLE 4.18**  
**MANUFACTURING, TRADING, REVENUE ACCOUNT EXPENSES.**

Year	Manufacturing Expenses			Trading Exp.	Exp. On Rev. A/c or Fixed expenditure	Total Expenses
	Procurement of sugar cane	Other Net Expenses	Total Net			
1985-86	449.20	125.37	570.57	Expenses relating to sale of sugar 71.40	Office admin., salaries, wages, insurance etc. 14.67	656.64
1991-92	1754.29	1593.46	3337.75	381.98	94.27	3824.00
1995-96	3027.55	2975.85	6003.40	653.60	190.63	6847.63
1999-2000	3965.42	1242.86	5208.28	777.11	177.11	6162.50

Source : Compiled from Annual Reports of the factory.

#### **4.10 CONCLUSION**

The financial position of Shri. Mahakali Co. Op. Sugar factory was studied in respect of share capital, deposits, reserve funds, borrowing, working capital, investments, profits, capital expenditure and income of the factory.

In 1999-2000, the total no. of share holders of the factory were 6779 and the total share amount recovered was Rs. 281.17 lakhs. The factory has made repayment of Government Share Capital regularly. The deposits of the factory are continuously increased and reached to Rs. 808.05 lakhs in 1999-2000 also the reserve fund amount is increased and reached up to Rs. 1634.84 lakhs in 1999-2000. Due to expansion of the factory in size the borrowings are also increased and reached upto Rs. 3081.76 lakhs in 1999-2000.

The working capital consists of Share capital, reserve funds, deposits and borrowings. The working capital of this factory has been increased from Rs. 1254.21 lakhs in 1985-86 Rs. 5805.82 lakhs in year 1999-2000.

The investment by the factory in fixed assets, financial investment and current assets are increased year by year. In year

1999-2000 the figures of fixed assets, financial investment and current assets were Rs. 2091.27 lakhs Rs. 41.52 lakhs and Rs. 6045.98 lakhs respectively. The gross profit of this factory has been increased for subsequent years. The gross profit in year 1999-2000 was Rs. 596.24 lakhs. Due to increase in gross profit, the factory has expanded its work to a large extent.