

CHAPTER VII

FINDINGS, CONCLUSIONS AND SUGGESTIONS

CHAPTER VII

FINDINGS, CONCLUSIONS AND SUGGESTIONS

7.1. INTRODUCTION

The sugar industry occupies an important place in the economy of our country. And the sugar production during the last 10 years has shown an increasing trend. Now the Sugar Industry is expected to get sugar production more than 263.40 lakh metric tons. Owing to the preferential policies of the government during the last 50 years, the co-operative sector has emerged as the largest and predominant sector in the sugar industry. It is observed, that in the year 1960-1961, the share of co-operative sector in sugar production was just 17.40 per cent, but over a period of 50 years, the number of sugar mills went up from 34 to 228 with 39.0 per cent share, in the total sugar production of the country.

7.2. PURPOSE OF THE STUDY

Co-operative sugar mills in Tamil Nadu are the class of processing sectors and as such they must abide by the principles of good financial management. They are co-operative in character. Their responsibility, accountability is wider than that of a corporate body. Their share capital is raised from farmers whose economic, social uplift is their prime concern. Thus besides providing good returns on the produce of the farmer members, co-operative sugar mills have achieved all-round development of the region in which they function. Sugar mills can discharge this responsibility, only if they are financially sound and economically viable units. That is why it becomes necessary to maintain a constant vigilance on the health of sugar factories. In this study an exercise is made to evolve a suitable tools and indicators by means of which financial health and performance of co-operative sugar mills are monitored.

These Co-operative sugar mills receive required share capital from the State Government's money that is contributed by tax payers. A Co-operative sugar mill can discharge this responsibility if its finances are utilized scrupulously, economically, prudently and efficiently. The authorities of the mill must have at hand financial tools to

measure soundness of the unit so that if any indicator beeps red at least timely steps are taken to correct the situation.

Though Tamil Nadu Co-operative Sugar mills produce sugar, criteria applicable to be covered under Cost Accounting Records (Sugar) Rules, 1997, these Cost Accounting Records (Sugar) Rules, 1997 are not applicable to these Co-operative sugar mills, as they are a body corporate governed by a Special Act (Say Tamil Nadu Co-operative Societies Act).

Even though Cost Accounting Records (Sugar) Rules are not applicable to these Co-operative Sugar Mills in Tamil Nadu, In this study, whether Management Accounting practice are followed, which area is to be covered and which measure are to be taken to evaluate the financial health, break-even analysis, price fixation for major raw material (sugar cane) and find out the cost of by product and also improve the profitability of these Industries.

Thus, the present study is undertaken to select and use Management Accounting tools and show thereby how these tools are used as comprehensive criteria for determining performance of these Co-operative Sugar Mills.

7.3. METHODOLOGY

Fifteen Co-operative sugar Mills in Tamil Nadu were taken for the present study- Amaravathi CSM, Ambur CSM, Chenagalrayan CSM, Cheyyar CSM, Dharmapuri CSM, Kallakurichi-I CSM, Kallkurichi-II CSM, MRK CSM, NPKRR CSM, National CSM, Salem CSM, S. Siva CSM, Tiruthani CSM, Tirupattur CSM, Vellore CSM.

This study is based on secondary data from various focus and such data are analyzed in respect of the objectives. These secondary data were collected from the financial statements like Balance sheets, Profit and Loss accounts, Annual Reports of the concerned Co-operative Sugar Mills and Tamil Nadu Sugar Federation.

The necessary data and various other related Tables used in this study have been collected mostly from the Annual Reports of the selected Co-operative Sugar Mills for the relevant periods. Few information were collected through various reports prepared for the various official committees. This information was supplemented with the related information collected from the Indian Sugar Mills Association. All the published annual

reports and accounts were collected personally from the office of the concerned Co-operative Sugar Mills.

The major portion of secondary information is obtained from the magazines, newspapers, journals, books, unpublished thesis, audit reports of the concerned Co-operative Sugar Mills and various other publications of the Government of India and Government of Tamil Nadu pertaining to the last ten years. Some information's have been collected from the Website also. Finally, all the information and data collected were analyzed and important references have been drawn from them.

7.4. SUMMARY OF FINDINGS

I Submit the following findings from this study.

7.4.1. Practice In Managing Working Capital And Z Score Analysis

Every Technical expert and Financial Expert are examining the financial and technical data for finding out whether the concern is having profit making and is viable in every aspect, not only in the present but also in the ensuing years to come. In this regard, **twenty types** of formulae are having been utilized to analyze and review the Working Capital by way of Analysis like Solvency , Efficiency , but get result to a certain level only.

7.4.1.1. Solvency

The current assets of the sugar mills have been decreased regularly whereas the current liabilities increased. Hence the solvency ratio is decreased gradually during the study period 2002-03 to 2011-2012. The average solvency ratio for the study period is less than solvency position of these sugar mills. And the fluctuations in the solvency ratio raised due to fluctuations in current assets and current liabilities. Thus the majority of the running Co-operative sugar mills in Tamil Nadu have unfavorable solvency ratio. In nutshell except Dharmapuri Co-operative Sugar Mills and Kallakurichi-2 Co-operative Sugar Mills, the solvency ratio is not properly maintained by these Co-operative Sugar Mills.

7.4.1.2. Immediate Solvency

Except Dharmapuri Co-operative Sugar Mills, K-2 Co-operative Sugar Mills, MRK Co-operative Sugar Mills and S.Siva Co-Operative Sugar Mills, the Immediate Solvency Ratio is not properly maintained by the remaining Co-operative Sugar Mills in Tamil Nadu.

7.4.1.3. Absolute Immediate Solvency

Except Salem Co-Operative Sugar Mills, Cheyyaru Co-Operative Sugar Mills, S.Siva Co-Operative Sugar Mills, the Absolute Immediate Solvency ratio is not properly maintained by the remaining Co-operative Sugar Mills in Tamil Nadu, as a cash balance is ideal assets company has to take control on such availability of funds which is affect on cost of the funds.

7.4.1.4 Inventory Efficiency

Co-operative Sugar Mills in Tamil Nadu have employed investment in inventories with varying degrees of efficiency. In other words inventory management is not good in Co-operative Sugar Mills in Tamil Nadu.

7.4.1.5 Inventory Efficiency(others)

Co-operative Sugar industries in Tamil Nadu have employed investment in inventories with varying degrees of efficiency. In other words inventory management is not good in these Co-operative sugar Industries.

7.4.1.6 Cash and Bank Balance Efficiency

During this study period ,year wise Cash and Bank Balance Efficiency Ratio of these sugar mills is ups and down. And mill wise Cash and Bank Balance efficiency ratio is fluctuations in the level . Except Vellore Co-operative sugar mills and Dharmapuri Co-operative sugar mills remaining Co-operative sugar mills in Tamil Nadu have not properly maintained Cash and Bank Balance with sales.

7.4.1.7. Current Assets Efficiency

It is concluded that different units in Co-operative sugar mills in Tamil Nadu have utilized their Current Assets with **varying degrees of efficiency**.

7.4.1.8. Working Capital Efficiency

It is concluded that different units in the Co-operative sugar industries in Tamil Nadu have utilized their Working Capital with **varying degrees of efficiency**.

7.4.1.9. Debtor Efficiency Ratio,

Co-operative Sugar industries in Tamil Nadu have employed good credit policy with varying degrees of efficiency. In other words Sundry Debtor collection management is very good in Co-operative sugar Industries in Tamil Nadu .

7.4.1.10. Current Assets Growth Rate ,

. In Co-operative Sugar industries in Tamil Nadu, Overall growth rate is increased every year up to 2008-09 and then it is decreased and thereafter the previous growth rate could not be achieved and it became also very low in 2010-11 accounting year.

7.4.1.11. Fixed Asset Efficiency

. It is therefore concluded that different units in Co-operative Sugar industries in Tamil Nadu have utilized their Fixed Assets with **varying degrees of efficiency**.

7.4.1.12. Current Assets to Cash and Bank Balance

Thus by maintaining a low ratio it can be stated that the concern has efficiently used its cash balances.. It is therefore concluded that different units in Co-operative sugar industries in Tamil Nadu have utilized their Current Assets with **varying degrees of efficiency**.

7.4.1.13. Inventory to Current Assets,

Thus by maintaining a low ratio it can be stated that the concern has not properly maintained inventory by the concerned year or Co-operative sugar mills. It is therefore concluded that different units in the sugar industry have utilized their Current Assets with **varying degrees of efficiency**.

7.4.1.14. Current Assets to Fixed Assets,

The increase in the ratio means that trading is slack or mechanization has been used. A decline in the ratio means that debtors and stocks are increased too much or fixed assets are more intensively used. which indicates, an efficient management of assets level in these sugar mills. It is there fore concluded that that different units in the sugar industry have utilized their Current Assets with **varying degrees of efficiency.**

7.4.1.15. Fixed Assets Long Term Funds

The increase in the ratio means that lesser long term funds has been used. A decline in the ratio means that long term funds are increased too much or fixed assets are more intensively used. which indicates, an inefficient management of assets level in these sugar mills. If we look at this ratio the company is getting more and more long term funds from year to year. This analysis states us that the company securing itself by raising its long term funds. This raise the company's capability of investment.

7.4.1. 16. Change in Working Capital

It is examined that the working capital of the majority of the running co-operative sugar mills have been decreased regularly Thus it is concluded that the majority of the running Co-operative sugar mills have unfavorable working capital

7.4.1.17. Working Capital Trend

Working capital trend for Co-operative Sugar Mills in Tamil Nadu is downward for year wise except 2008-09,2009-10 and 2010-11 and mill wise working capital trend is upward except VelloreCo-operative Sugar Mills ,ChengalrayanCo-operative Sugar Mills , NPKRRCo-operative Sugar Mills , MRKCo-operative Sugar Mills , K-2Co-operative Sugar Mills .

7.4.1.18. Share holder's Equity to Total Assets

Except 2004-05and 2009-10, remaining year of study period Co-operative sugar mills Share holder's equity efficiency is downward and except Tiruthani Co-operative Sugar Mills , MRKCo-operative Sugar Mills , Cheyyaru Co-operative Sugar Mills remaining mills Share holder's equity efficiency trend is also downward.

7.4.1.19.Capital Gearing

Co-operative sugar mills working capital (funds management) trend is upward during the study period from 2002-03 onward and mill wise working capital (funds management) trend is upward except Cheyyaru Co-operative Sugar Mills, S.SivaCo-operative Sugar Mills, MRKCo-operative Sugar Mills, K-2Co-operative Sugar Mills.

7.4.1.20. Financial Performance analysis

When used the ' Z ' Score Analysis, the details of which have been elaborated in this study. The Z score analysis express the Cheyyar, S.Siva, Kallkurichi II Co-operative Sugar Mills are having very good performance.

7.4.2. Practice In Managing No Profit And No Loss Analysis

The Break-Even Analysis prevailing in the sugar mills situation in Tamil Nadu, especially in running Co-operative Sugar Mills for a period of 10 years, have been taken into consideration for analyzing the Break-Even Recovery, Cut Off Recovery, Break-Even Sugar Production and Break-Even Sales Revenue

7.4.2.1 Break-Even Recovery and Cut Off Recovery

The Recovery percentage of sugar shows the fluctuating trend in all the running Co-operative Sugar Mill's in Tamil Nadu. Overall average Recovery percentage of sugar is the highest in 2002-03 that is 9.95percent and the lowest in 2004-05 that is 8.94percent.

Over all the study period Except 2002-03, 2006-07 and 2007-08 in the remaining seven years all the running Co-operative Sugar Mill's Cut Off Recovery are within the yearly average recovery percentage and basic recovery percentage (now 9.5percent).

Cheyyar Co-operative Sugar Mill's actual recovery percentage during the period of seven out of ten years are more than break-even recovery percentage of sugar. Actual recovery for only one year during the study period of ten years is more than break-even recovery for the two Co-operative Sugar Mill's that is Ambur Co-operative Sugar Mill (2008-09) and Tiruthani Co-operative Sugar Mill (2003-04). Recovery percentage in the study period in the Tiruthani Co-operative Sugar Mill and NPKR Co-operative Sugar Mill are lower when compared with other Co-operative Sugar Mills.

But recovery percentage of sugar attained by these two Co-Operative Sugar Mills if compared with National level, it is arrived at 10 percent while it is 14 percent in other countries like Australia, Brazil and the like.

7.4.2.2 Break Even Sugar Production (in quantity)

K2 Co-operative Sugar Mill has attained break-even sugar production seven out of ten years in the study period. Production of sugar indicates the fluctuating trend over the period. It depends upon the quantity of cane crushed and recovery percentage of sugar. Though it depends on the quantity of cane crushed, it reflects the trend in recovery percentage of sugar.

7.4.2.3 Break-Even Volume of Sales

In respect of actual Sales value in K2 Co-operative Sugar Mill, eight out of ten years, it is more than the break-even volume of sales achieved during the period of study. Tiruthani Co-operative Sugar Mill (2003-04), Ambur Co-operative Sugar Mill (2008-09) and Amaravathi Co-operative Sugar Mill (2009-10) have achieved only one year for the break-even volume of sales over the period of study. NPKR Co-Operative Sugar Mill and National Co-Operative Sugar Mill have not reached the break-even sales over the period of study.

7.4.2.4 Break-Even Cane Crushing (in MT)

NPKR Co-operative Sugar Mill and National Co-operative Sugar Mill have not reached the Break-even Cane Crushing during the entire study period. Ambur Co-operative Sugar Mill(2008-09), Amaravathi Co-operative Sugar Mill(2009-10), Tiruthani Co-operative Sugar Mill(2003-04) have achieved only one year, over and above Break-even Cane Crush during the period of study. The two Co-operative Sugar Mills likewise, S.Siva Co-operative Sugar Mill, Cheyyar Co-operative Sugar Mill, have managed by crushing the quantity of cane over and above the break-even level in seven out of ten years taken for the period of study.

7.4.2. 5 Over All Abstract

Average Break-Even Recovery for the year 2008-09 (9.36percent) and 2009-10 (8.58percent) are within the yearly average recovery percent. Except 2007-08 (9.49percent) All the other year for period of study Average Cut Off Recovery are below the level of yearly average recovery percent.

Seven out of ten years for the study period, the Break-Even Cane Crushing are less than the installed capacity of the mills (2003-04 , 2004-05 , 2005-06 , 2006-07 , 2008-09 , 2009-10 and 2010-11) .

Co-efficient variation for Break-Even Recovery during the year 2002-03 , Cut Off Recovery during the year 2004-05 , Break-Even Sugar Production in the year 2006-07 , Break-Even Sugar Cane Crushed during the year 2006-07 and Break-Even Volume of sales value (Revenue) in the year 2006-07 are consistent.

Salem Co-operative Sugar Mill, S.Siva Co-operative Sugar Mill, MRK Co-operative Sugar Mill, Cheyyar Co-operative Sugar Mill, K2 Co-operative Sugar Mill are running their factories with good performance in the areas of Break-even recovery (percent), Cut off recovery (percent), Break-even Sugar Production (in Qtls), Break-even cane crushing (MTs) and Break -even volume of Sales value (Revenue) over the period of study, due to introduction of Co-gen plant and TNPL Boiler in their Sugar Mills.

7.4.3.1 Practice In Fixing Sugar Cane Price

Every year minimum cane price per MT. is paid as declared by Government of India for all the Co-Operative Sugar Mills In Tamil Nadu such as :

- a) In 2002-03 year, National CSM and Tiruthani CSM have paid minimum cane price.
- b) In 2003-04 National CSM alone paid minimum cane price.
- c) In 2004-05 , National CSM and NPKRCSM have paid minimum cane price.
- d) In 2005-06 NPKRRCSM, National CSM, Amaravathi CSM, Salem CAM have paid minimum cane price .

e) In 2006-07 Ambur CSM, K1CSM, National CSM, Chengalrayan CSM, Tiruthani CSM, NPKRRCSM, MRKCSM, Cheyyaru CSM have paid only minimum cane price.

f) In 2007-08 AmburCSM, K1CSM, NationalCSM, Vellore CSM, Chengalrayan CSM, Tiruthani CSM, NPKRRCSM , MRKCSM, Cheyyaru CSM have paid minimum cane price.

g) In 2008-09 National CSM, Tiruthani CSM,NPKRRCSM, MRKCSM, Cheyyaru CSM have paid minimum cane price.

h) In 2009-10 Except National CSM, Tiruthani CSM, NPKRR CSM, MRKCSM, K2CSM have paid minimum cane price.

i) In 2010-11 All Co-operative Sugar Mills except Salem CSM , Tirupathur CSM , Dharmapuri CSM and S.SivaCSM have paid minimum cane price.

j) In 2011-12 All Co-operative Sugar Mills except Salem CSM , National CSM , S.SivaCSM , Tirupathur CSM and Dharmapuri CSM have paid minimum cane price. Other wise they paid cane price according to their previous season recovery percent.

7.4.3.2 Comparison Of Average Actual Cane Price With Average Selling Price

The free price of sugar and SMP or FRP of Sugar cane are mis-matched, which affect every mills profitability and financial performance.

7.4.3.3 Effect On Change In New Sugar Cane Price Fixation Policy

There is an affect on change of new sugar cane price fixation policy on profit or loss for Amaravathi CSM's in 2002-03.

All the CSM except Ambur CSM, K1CSM, Vellore CSM, Chengalrayan CSM, Cheyyaru CSM in 2003-04 have an affect on change of new sugar cane price fixation policy on profit or loss .

There is an affect on change of new sugar cane price fixation policy on profit or loss for all the CSM except K1CSM, NPKRRCSM, MRKCSM, K2CSM in 2004-05.

All the CSM except Amaravathi CSM, Salem CSM, Dharmapuri CSM in 2005-06 have an affect on change of new sugar cane price fixation policy on profit or loss ;

There is an affect on change of new sugar cane price fixation policy on profit or loss for AmaravathiCSM, VelloreCSM, K2CSM in 2006-07.

Salem CSM, Dharmapuri CSM in 2007-08 have an affect on change of new sugar cane price fixation policy on profit or loss.;

There is an affect on change of new sugar cane price fixation policy on profit or loss for K1CSM and K2 CSM in 2008-09.

Ambur CSM , Vellore CSM , Tirupathur CSM , Chengalrayan CSM , Cheyyaru CSM and S.Siva CSM in 2009-10 have an affect on change of new sugar cane price fixation policy on profit or loss.;

There is an affect on change of new sugar cane price fixation policy on profit or loss for S.Siva in 2010-11;

AmaravathiCSM, SalemCSM, DharmapuriCSM,VelloreCSM,and Tirupathur CSM in 2011-12 have an affect on change of new sugar cane price fixation policy on profit or loss.;

In nutshell during the study period if the cane price declaration policy is changed then 50 out of 150 (33percent) have not reduced their losses, 45 out of 150 (30percent) have reduced their losses and 55 out of 150 (36.7percent) have increase their losses due to the cane price declaration policy has been changed then not only cut off recovery percent has changed but their profitability also has been changed.

Before change of sugar cane price declaration policy average variable cost per tonne of sugar is Rs.1523.75 per year, with a Co-efficient Variance. of 0.36 per cent, whereas, in the case of after the change of sugar cane price declaration policy is Rs.1523.10 with a Co-efficient Variance of 0.36 per cent, both stage of which are equal or much lower than before change of sugar cane price declaration policy.

The Average Growth Rate, which measures the growth rate year on year basis, shows, that the growth rate is 7.07 percent in the case of before change of sugar cane price declaration policy, which is much higher, compared to a 6.54 percent growth attained in the variable costs, in the case of after change of sugar cane price declaration policy.

Since the calculated values are higher than the table values, the hypothesis is rejected. Therefore there exist significant differences in the variable cost between before change of sugar cane price declaration policy and after change of sugar cane price declaration policy, as well as between years.

After change of sugar cane price declaration policy they try to bring down the loss.

Since the calculated values are higher than the Table values of both between these two stages and between years , the hypothesis is rejected .

Therefore there exists significant difference in profit or loss between before change of sugar cane price declaration policy and after change of sugar cane declaration policy and between years..

7.4.4 Practice in Fixing the Cost of By-Product

Fixing the Cost of By-Product are analyzed following two methods.

7.4.4.1 By Product Cost Under First method

Actual selling price of Molasses shows ups and down trend according to the demand and supply in market condition. However , that there is an increasing trend of cost price of molasses in all the years of the study periods except in 2006-07.

There is an increasing trend of cost price of Bagasse throughout the study periods except in 2006-07, but in case of its selling price , there is ups and down in movement of its in throughout study period

As far as by-product concerned, the average profit or loss of sugar for before changing present policy is Rs (-)335.94 per quintal of Sugar and after adopting the new cost price policy is Rs(-)175.33 per quintal of Sugar. The average profit or loss in before adopting new cost price policy is less than Rs (-)160.61.

In all the years during the study period, the average profit or loss after adopting new cost price policy is higher than the before adopting new cost price policy. Except in the years 2008-09 and 2009-10, in all the remaining years during the study period, it has shown only loss.

Since the calculated values are higher than the table values of both between groups and between years, the hypothesis is rejected. Therefore, there exists significant difference in the operating profit or loss between the before adopting new cost price policy and the after adopting new cost price policy, as well as between years.

7.4.4.2 By-Product Cost in Second Method

In the second part of the study The actual cost of production in each stage of by-product as per calculated based on a model developed for this purpose is much higher than the prevailing selling price of these by-product And the actual cost of production in each stage of by-product as per calculated based on a model developed for this purpose is

much higher than the prevailing selling price of these by-product. And the actual selling price of by-product is less than cost of production. Average Cost of production for Baggase (First Stage) of Rs.1675.77, Press Mud (Second Stage) of Rs. 1429.96. Molasses (Third Stage) of Rs.2229.65, Molasses (combined Second and Third stage) of Rs.2290.94. But the actual Selling price for Baggase of Rs. 1034/-Press Mud of Rs 0 Molasses of Rs 1543/- Which are less than cost price. Baggase of Rs. 623.77,Press Mud of Rs1429.96 Molasses (Third Stage) of Rs 686.65 Molasses (combined Second and Third stage) Rs.747.94. Hence it is advised to the selling price for by-product is not less than cost of production of these by-product.

7.4.5. Conclusions for Summary of Findings

These findings have led to the following conclusions

1. The Solvency, immediate solvency and absolute immediate solvency of Co-Operative Sugar mills in Tamil Nadu are not in favourable to run their industries successfully.

2. current assets including inventory is not maintained properly .

3. Though the growth of working capital is in upward trend at early periods, there is a sudden decline of it.

4. In general, Co-Operative Sugar Mills are not performing good. But among all these Cheyyar Co-Operative Sugar Mill, S.Siva Co-Operative Sugar Mill and K2Co-Operative Sugar Mill perform well.

5. There is fluctuation trend in recovering break-even in general among Co-Operative Sugar Mills.

6. The Cut off recovery is within the yearly average recovery and basic recovery for all the Co-Operative Sugar Mills.

7. Again break-even production among the Co-Operative Sugar Mill is in fluctuating trend.

8. Break-even volume of sales is not achieved by all the Co-Operative Sugar Mills in general.

9. Even the break-even cane crushing (inM.T) has not achieved in general by all Co-Operative Sugar Mills except S.Siva Co-Operative Sugar Mill and Cheyyaru Co-Operative Sugar Mill.

10 .Introduction of Co-gen plant and High pressure Boiler helps the Co-Operative Sugar Mills to perform well in the areas of Break-even recovery, cut off recovery, Break-even Sugar production, Break-even Cane crushing and Break –even Sales volume(revenue).

11. The Co-Operative Sugar Mills pay minimum cane price declared by Government of India and then price calculated according to current season's recovery .

12. The Free price of Sugar and SMP or FRP of Sugar Cane affect profitability and financial performance of every Co-Operative Sugar Mill

13. There is an effect due to change of sugar cane price declaration policy on cost of production as well as profit or loss of every Co-Operative Sugar Mill.

14. There is an increasing trend of cost of molasses and cost of bagasse. But the fluctuation in selling price due to market condition is normal for all by product of sugar.

15. The actual cost of production in each stage of by-product as per calculated based on a model developed for this purpose is much higher then the prevailing selling price of these by-product .

7.5. SUGGESTION

This study has narrated the ways of encouragement to sugar cane growers for maximum supply of sugar cane to the concerned Sugar Mills in order to crush more sugar cane and maximum sugar production, through which the sugar mills can earn optimum level of profit. In this way following suggestion for the betterment of function of Co-operative sugar industry in Tamil Nadu is given.

7.5.1. The Government of India and State Governments should come forward to create a Quality and Performance Monitoring Committee(QPMC) consisting of representation from both Government, managements of Co-Operative Sugar Mills, local farmers and employees to take collective decision an efficient performance of Co-Operative Sugar Mills.

7.5.2 The authority of Co-operative sugar mills should take necessary step to equip with modern instruments such co-gen plant and high pressure boiler for improving the operation efficiency of these mils.

7.5.3. The Government should have a Pro-active Import or Export Policy in order to ensure reasonable sugar prices so that sustainable cane prices are paid to the farmers

7.5.4 Co-operative sugar mills should be allowed to function independently without any intervention of both central or state Governments especially in purchase and sell either sugar cane or sugar, fixing price of sugar and its by-products and maintaining mills.

7.5.5 The Ministry of Textile has been prescribing the minimum percentages from time to time for compulsory packaging of sugar in jute bags. The packing cost of sugar in jute bags is very high compared to the other packaging material. The sugar industry is subsidizing jute industries. The Government should fully exempt the sugar industries from compulsory packaging in jute bags.

7.5.6 During off season the Co-operative sugar mills should take step to the use the premise for alternative production with help of by-product gathered during the season of production.

7.6 SUGGESTION FOR FURTHER STUDY

7.6.1 There is a wide scope to conduct study on pricing strategy of co-operative sugar mills

7.6.2 A study can be conducted on production management of co-operative sugar mills in depth.

7.6.3 An in-depth study can be conducted as ‘ production and marketing of by product of co-operative sugar mills’

7.6.4 There is a scope to study the working capital management in co-operative sugar mill

7.6.5 Inventory management of co-operative sugar mill can be studied in depth.

7.6.6 A comparative study management accountancy practice in private and co-operative sugar mills can have a scope in research.

7.7. CONCLUSION

It is concluded and definitely hope that change in the methodology in announcing or declaring Sugar Cane price only based on current year recovery, reducing the cost of production of sugar by arriving separate cost of production of by-products like-wise Molasses and Bagasse and preparation of periodical “Z-Score Analysis” can contribute remarkable and intellectual prospects of the sugar industry not only in Tamil Nadu and also in the whole nation (India).

This modest piece of research is an effort, on the part of the Researcher, to explore as many aspects of the subject as possible, allowed within scope of limits of Doctoral thesis. All findings and suggestions made in the course of the study are supported by statistics gathered by the Researcher during the period of research.