RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD
INTRODUCTION OF THE COMPANY

COMPANY PROFILE

Godavari Sugar Mills was a pioneer in the research-based Sugar Industry, situated in the state of Karnataka; it combines modern technology and the latest mechanization techniques and compliments it with a 6-decade experience.

Alongside, the factory waste, namely molasses is used by Somaiya Organo Chemicals. Industrial alcohol/rectified spirit are manufactured with the sugar waste. The Somaiya Group Company is also looking towards Venturing into cogeneration of power at all of its sites, with excess power being sold off to the state power grids.

History

Godavari Sugar Mills entered the sugar industry in the late thirties. Based in the Indian state Maharashtra, it began operations by setting up two sugar factories, both of which used a scientific method of cultivation. Despite increasing emphasis on traditional cultivation methods, Godavari Sugar was among the few to introdmodernity to this industry.

During Sugar factories in Maharashtra were being victimized through state policies. Private farms were being nationalized and the co-operative movement quickened the pace of the ultimate closure of these farms. This was unfortunate because the yields from the Godavari farms were among the best in the world. The yield of cane was 64 ton per acre, recovery of sugar was 11.5% per acre and yield of Sugar was 7.36 tons per acre. Realizing that it could no longer work towards its full potential, the Somaiya Group gave up its pioneer position in Maharashtra Sugar industry and re-opened the Godavari Sugar Mills at Sameerwadi in the dean state of Karnataka.

On 6th June 1971, the foundation stone at the factory of the Godavari Sugar Mills was laid by the Governor of Karnataka. Due to the prevalent India-Pakistan war at that time.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

The factory was erected on a war footing and commissioned in a record time of less than ten months. Production started on 20th April 1972. Today, advanced technology and a high level of mechanization has made Godavari Sugar Mills one of India’s largest sugar producers. This Somaiya Group Company has one of the highest average recovery rates in the industry.
ABOUT THE GROUP
The Somaiya Group beats with strong traditional values; hard work, dedication and a caring attitude. At the same time, it employs modern industrial techniques and is today, the epitome of contemporaries, omnipresence has a new name. Somaiya, manifesting in ways & means the touch your life, in more ways than you could imagine. Society too experiences the humane touch of Somaiya; in terms of healthcare, rural development and environment-effort. Going beyond the call of duty because ‘More than state-of-the-art, its state-of-the-heart’ that matters. Dynamism put to a growth-oriented approach, underlined with the will to achieve best describe the group that is the air supply of various industries in India. The Somaiya Group will continue to expand its operations by expanding production into new markets and applications. Growth will also come from value added-diversification derived from the Group’s strengths in products and processes.

The Quality of the Products and Services delivered by the Somaiya Group will always strive to exceed customer’s expectations. The Somaiya Group always has and will continue to use renewable resources in its products. It believes that this is an important need for sustainable development.

The Somaiya Group has been always being aware of its Social commitment to the community that is serves. It believes that we have a responsibility and Obligation to return to society what we earn from it. Since the last six decades, commencing operations in the high growth field of sugar, the Group has created the perfect platform for its future success. Built upon the foundation of care, each of the following facets of the Group was response to a need.
ABOUT THE FOUNDER

A light has gone out of our lives but has left behind many sweet memories. Born with humble feelings, Shri. K. J. Somaiya learnt that Honesty and hard work lead to successes. Very early in his life; through the example and teachings of great men like Swami Vivekananda, Mahatma Gandhi and Swami Dayanand Saraswati, he assimilated in his life the Maximum that “There is no religion greater that Man”.

Shri. K. J. Somaiya started his career in business as a trader by selling groceries, sugar etc. Traveled from Village to Village and thereby got acquainted with the Sugar merchants in India. Shri Somaiya has acquired a great name and reputation for his sharp business acumen, for his insight and analytical skills and for his deep understanding of business trends. A leading industrialist in Western India, Shri K. J. Somaiya made his mark for his outspoken and forthright views.

The Somaiya Trust was founded in 1942 to create housing for those displaced in the explosion in Bombay port. Land was purchased for this purpose. Later it was envisioned to create an educational campus in these ands. The Trusts were instituted initially to provide medical relief to the sick. The Trusts also provided grants to the small men who wanted to set up their own business. In order to achieve the educational objectives of the trusts, Somaiya Vidyavihar was formed in 1959. Girivanvasi pragati Mandal was established in 1972 for the upliftment of the advises, the tribal’s living in the forests and hilly regions.

In 1975, Sabarmati was started to promote Sanskrit as a spoken Language. Shri K.J.Somaiya. Also founded Suruchi in 1976 for providing employment to the needy women of the society and to provide quality food at reasonable prices. As the Eminent was a visionary, a dreamer and a planner, Somaiya Ayurvihar was established in 1989 to provide free medical care and enable Medical research. To improve the quality of life and to provide a cultural input Somaiya Sanskrit Vihar was formed in 1991. Shri K.J.Somaiya vision & foresight have led to this huge “Somaiya Parivar” which is the pride of Bombay, of Maharashtra and of Western India. Due to his belief in Humanity and Faith in Almighty he could transform his dream into reality.
LOCATION
Godavari Sugar Mills is Located at Sameerwadi, a small village in the Bagalkot district of Karnataka. Sameerwadi lies in the potential basin between two rivers, Ghataprabha & Krishna. It falls under the command area of Hidkal dam, on the Ghataprabha Left Bank canal, at the confluence of four townships (talukas), Mudhol, Jamakhandi, Raibag, & Gokak.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

MANAGEMENT TEAM

- DR. SHANTILAL SOMAIYA
- SHRI SAMEER S SOMAIYA
- SHRI I G PATEL
- SHRI P M KAVADIA
- SHRI N G SATYA
- PROF ROOSHIKUMAR PANDYA
- SHRI B R BARWALE
- SHRI KAILASH PERSHAD
- DR. K V RAGHAVAN
- SHRI VINEY KUMAR
- SHRI P. K. R. NAIR

BANKERS AND INSTITUTION:

- BANK OF INDIA.
- ANDHRA BANK.
- BANK OF BARODA.
- SYNDICATE BANK.
- UNION BANK OF INDIA.
- INDUSTRIAL DEVELOPMENT BANK OF INDIA.
- KARNATAKA STATE INDUSTRIAL INVESTMENT AND DEVELOPMENT.
- CORPORATION BANK.
- SICOM LIMITED.
- STATE BANK OF INDIA.
AUDITORS:

- AMBAL THAKKA AND ASSOCIATES.
- CHARTERED ACCOUNTANTS.

SOLICITORS:

- MULLA & MULLA AND CRAIGIE.
- BLUNT AND CAROE
COMPANY ACHIEVEMENTS

Record crushing by GSM LTD

Godavari Sugar Mills Ltd., Sameerwadi completed its crushing season 2005-06 with record crushing achievement. In the season GSM Sameerwadi has crushed 16,39,424 tones with an average sugar recovery of 11.65%. In view of this record crushing the co-operation from cane suppliers, harvesting and transport agencies and workers are really commendable. The present year 2008-09 cane crushing of 17,44,267 tones is the highest in South India. In 1994-95 the GSM got 2nd place in India for cane crushing.

Celebration Rewards and Recognitions by GSM LTD

Achievements made in record crushing were celebrated in GSM Sameerwadi by encouraging and motivating the cane growers, Harvesting and transport agencies. This was done in a colorful function in the premise of factory on 30.05.2006. As mark of their contribution in each category highest three prizes were distributed during the function wherein farmers of the area, harvesting and transport agencies were participated.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

PRODUCT PROFILE

The Specification of Sameerwadi Sugar is:

- Polarization: 99.80 to 99.88
- Moisture: 0.35 to 0.06
- Icumsa: up to 150 units
- Ash: 0.08 to 0.10

- Granulation: S-30 of Indian Sugar
- Standard Color: Sparking White

- Packing: Present Packing: 100Kg

The GODAVARI SUGAR MILLS LTD is the manufacturer of “White Crystal Sugar”. Along with sugar some other main products manufactured in Godavari Sugar works Ltd. are:

- Power
- Distillery Products
- Bio-gas
- Other By-product
COMPANY QUALITY POLICY

- We are committed to produce and supply products to meet our costumer’s needs.
- We shall continually strive to improve the effectiveness of our Quality Management system.
- We shall train and motivate our employees for continual improvement.
- We are conscious of our responsibility towards Safety, Health and Environment.
- Quality is what we Think, Act and Believe

BY PRODUCTS PRODUCED BY THE COMPANY

POWER DIVISION

The factory being the cooperative society with more than 25,000 farmer members of the local area involved in its activity and selling their produce to the factory and dependent on the sugar factory for their existence and livelihood, the creation of co-generation facility has become prime need due to socio-economic reasons. Secondly, the enormous quantity of Bagasse that is generated by the factory shall be best utilized by the creation of co-generation which will help the factory by generating and making available the power.
Further taking into consideration the acute power shortage in the country, both on demand and energy terms and effort to generate power and augment the grid supply will be a laudable and worthy effort; the factory has been planning for setting up a 41MW Multi-fuel Co-generation power project at the factory site. This will enable the factory to play a significant role in supplying power to the public utility simply by increasing its operating efficiency in addition to meeting its need of power.

The main purpose of setting up this power project, as principal fuel, supplemented by Bagasse, other bio-mass fuel and conventional fuels (as needed for maximizing utilization of proposed power project) for at least 300 days per year. The part of the project cost shall be raised by increase in Share Value, a resolution for which has already been passed at an Annual general Body Meeting held on 22/09/2003 and the same have been got approved by the Govt of India & Central Register of Cooperative Societies, New Delhi vide their Letter No.L-11016/46/87-L&M dated 5th Feb.2004.

The factory, for this worthy project, has obtained all statutory/non-statutory clearances such as Karnataka State Pollution Board, Airports Authority of India, Environmental clearance, In-principal clearance, Clearance for installation of 110 KV Sub-Station from the Karnataka Power Transmission Corp. Ltd which has already been set up now, to commence with the project.

**PRODUCTION AND DISTRIBUTION OF POWER**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self load</td>
<td>2.00 MW</td>
</tr>
<tr>
<td>Sugar Unit</td>
<td>4.50 MW</td>
</tr>
<tr>
<td>Export to HESCOM</td>
<td>17.50 MW</td>
</tr>
<tr>
<td>TOTAL</td>
<td>24 MW</td>
</tr>
</tbody>
</table>

In the off season the plant will import the power of 1.11 MW to maintain the whole plant.

To produce 1 MW of power the required baggies and 60 tone of water should be needed. Whole plants machineries has manufactured by Bharat Heavy Electrical Limited.

And to maintain the whole plant automatically the plant management will use DCS software (Distribution Control System)
DISTILLERY AND CHEMICAL DIVISION

Somaiya Organo Chemicals

The factory had installed its own Distillery Unit in October 1984 as a bye-product industry with its capacity of 30KL liters per day. However taking into consideration the stage wise expansion of the Sugar Mill and the excess availability of molasses, the installed capacity was later on increased 30 to 90KL Liters with another extra investment of 30.27 crores. The average recovery of Spirit per MT of molasses is 265 Liters.

Basically in the beginning means 1986 to 1999 the plant was given on rent to Saptagiri Enterprises, Bangalore

Recently means in the year 2002 the plant was expanded with extra of 30KL capacity with extra investment of 30.27 crores.

And also recently its expansion work is going on by increasing the capacity 60 to 200
**BAGASSE:**

Bagasse is the main raw material to the co-generation. It will obtained from sugar unit as a waste material. So this will become main raw material to the co-generation department.

**ETHANOL PLANT PROJECT:**

The factory also has planned to install Ethanol Plant at the factory site having capacity of 30,000 LPD for which a detailed Project report is under the progress.
FUTURE GROWTH AND PROSPECTUS

Financials - Projects under Implementation

New Projects

A: The Company has a well-defined strategy for near future. It has identified certain profitable opportunities that may be captured. These are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Capacity increase</th>
<th>Schedule for commissioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sugar</td>
<td>8500 TCD to 12000 TCD</td>
<td>IV quarter of 2009</td>
</tr>
<tr>
<td></td>
<td>12000 TCD to 15000 TCD</td>
<td>IV quarter of 2009</td>
</tr>
<tr>
<td>2. Cogeneration</td>
<td>24 MW to 44 MW</td>
<td>IV quarter of 2010</td>
</tr>
<tr>
<td>3. Distillery</td>
<td>60 KLPD to 120 KLPD</td>
<td>IV quarter of 2009</td>
</tr>
</tbody>
</table>

B: Leased sugar factories & distillery Maharashtra, GSML has acquired two sugar factories and one distillery on lease recently further adding to its capacities. These units are in high recovery areas of western Maharashtra.
Projects under Implementation at Sameerwadi

Expansion of Ethyl Acetate from 60 TPD to 100 TPD

Somaiya Organo Chemicals will boost its Ethyl Acetate (EA) production capacity to cater to the increasing Local & International demand. The expansion was scheduled for completion by mid-2006. On completion of the project the Company possessed a production capacity of 30,000 MT per annum, widening its global export base.

Our technology uses Renewable resources to manufacture EA, which is ever so important in this age of rising prices due to depleting crude oil reserves our long-term goal is to grow our markets by expanding existing product lines and by introducing new products based on sustainable technologies & renewable resources”.

Specialty Chemicals

With a view to augment our range of specialty chemicals, we have added one more aldehyde based product and successfully commissioned the plant recently. The product is having good export potential.

One time land application for bio-methanated distillery spent wash

Besides the pollution control measures like bio-composting etc for distillery effluent, Pollution control board has for the first time allowed us to use bio-methanated spent wash to be used as liquid manure on farm lands. This is being done successfully with our tie-up with Rahuri Agricultural University for close co-ordination & effective implementation.
Projects under Implementation at Sameerwadi

Ethyl Lactate project (450 Tones per annum (TPA))

The product is eco-friendly solvent and used for various applications such as the cleaning of printing equipment, rolls, lithographic plates or blankets, etc., and is well respected for its superior cleaning ability. The raw material used for the manufacture is molasses, which is a renewable resource and coming as by-product of sugar. The plant is under commissioning.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

ORGANIZATION CHART

Chairman and MD
   ↓
Executive Directors
   ↓
Executive Vice President
   ↓

Account Department
   ↓
General Account
   ↓
Computer Section

Engineering Department
   ↓
Cane Account
   ↓
Stores Section

Cane Department
   ↓
Manufacturing Department
   ↓
Time Section

Purchase
   ↓
Sales
FUNCTIONAL DEPARTMENT:

PRODUCTION DEPARTMENT

PRODUCTION HIERARCHY

GM (Manufacturing)

Asst. Manager (Lab)

Lab Chemist

Sr. Manager (Mfg)

Asst. Manager (Mfg)

Officer (Jr.) Officers
A. Manufacturing Process of Sugar:

Sugar (Sucrose) is a Carbohydrate that occurs naturally in every fruit and vegetable. Sugar occurs in greatest quantities in sugar cane and sugar beet from which it is separated for commercial use. The natural sugar stored in the cane stalk is separated from the rest of the plant material through a process known as refining.

In the first stage the sugar cane is cut into small pieces through cutter, and then the small pieces are pressed to extract the juice. The extracted juice is then sent to boiler house and heated into two stages. In primary stage it is heated up to 72 °C and in the secondary stage to 102 °C. hen lime sulphur dioxide and phosphoric acid is added.

Lime is added to settle impurities, sulphur dioxide for bleaching phosphoric acid to maintain phosphate content. Then again the juice is heated to 100 °C to 103 °C. The juice begins to thicken and sugar begins to crystallize. Then the crystals are spinned in the centrifugal pan to remove the syrup producing the raw sugar. And in the final stage, shipping the sugar to a refinery where it is washed and filtered to remove remaining non-sugar ingredients and Color and then crystallizing, drying, and packing the refined sugar.

OBJECTIVES

1. Production department is the hearts of the industry so it should be continue till the organization will close.
2. Production department has to maintain good quality of sugar.
3. Production department should produce the particular type of sugar as per requirement of customer and as per quality, which is approved by quality control department and govt.
4. This department should maintain the production procedure without any stoppages.
PRODUCTION DEPARTMENT

Sugarcane contains about 14% fibred and 86% juice consists of about 13% Sucrose and 73% moistures and non-sugar solids.

Cane

Mills  Bagasse  Fuel  Boiler

Juice

Weight Mixed Juice

Juice Heater
(Heater of 70 c)

Juice Sulphitation

Sulphured Juice

Juice Heater (heater to 100 c)
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

Clarities

Clear Juice

Evaporator

Syrup

Syrup Sulphured Syrup Pons

Masscult

Crystallizes
Centrifugal
  ↓
White sugar
  ↓
Graders
  ↓
Sugar weighted and Baggage’s
AGRICULTURAL DEPARTMENT

INTRODUCTION:
The agric departments one of the important dept of the company as its function is to the provide raw materials to the factory & providing proper guidance to the farmer about cultivation of cane new techniques and supplying seeds and fertilizer.
In the agricultural department 13 Cluster officer i.e. 4 at Mudhol, 1 at Jamkhod, 1 at Rabakavi, 1 at Terdal, 1 at Harugeri, 1 at Satti, 1 at Mugalkhod, Mudalgi, Kulgod, and one at Saidapur and Mahalingpur.
The farmers are providing Cane & bonded i.e. Seasonal 1 year short term, long term 15-20 years.
The objective of agricultural department is to increase yield level and increasing cane area horizontally and vertically utilizing minimum water.

Objectives

New variety & good quality seeds are provided to former on credit basic without interest and due a amount incurred in next season. Fertilizers are also provided on credit basic with interest. Margin money help for mini lift irrigation schemes and recovered through three installments.
DEPARTMENT HIERARCHY

General manager

Office manager

Manager of H & T

Office clerk

Fertilizer Section Clerk

Clerks
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

CANE DEVELOPMENT DEPARTMENT

General Manager

Cane Development Officer

Assistant Cane Development Officer

Supervisors

Slip Boy
OBJECTIVES OF CANE DEVELOPMENT DEPARTMENT

- To get high yield of sugar cane to the factory in right time.
- To improve of variety of cane.
- To develop the backward area.
- To provide all facilities like seeds, fertilizers, unloading and loading charges.
- To maintain registration of cane, gang and plantation.
- To undertake seeds distribution program.

To soil of this area is varying alluvial fertile soil is there on the bank of Krishna and Ghataprabha rivers. Further upwards, there is medium deep black soil, vary fertile well drained light to medium clay soil, which has received heavy application if from yard Manu science last 10-12 years also is presently in some parts.

The main function of cane development department is to arrange for raw material, which is required to the factory. For this order is received by priority basis (that is growers who grows sugar cane first in his led). They also are providing a loading gang with 8 to 10 members per village and also a bonded tractor for transportation.

SUGAR CANE VARIETIES

As present COC-671, COC-8011 is very popular sugar cane varieties in this area. The factory had introduced a new variety of sugar that COC-86032 three years back. Here more than 85% of sugar cane is of variety COC-671 which is mainly grown in this area.
RATIO ANALYSIS and it has be done at GODAVARI BIOFRINERS LTD

<table>
<thead>
<tr>
<th>S.L</th>
<th>NAME OF THE VARIETY</th>
<th>AREA IN (HECATRE)</th>
<th>(R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>COC-671</td>
<td>1153 he</td>
<td>60.02%</td>
</tr>
<tr>
<td>2</td>
<td>COC-8011</td>
<td>480 he</td>
<td>24.99%</td>
</tr>
<tr>
<td>3</td>
<td>COC-86032</td>
<td>1921 he</td>
<td>14.99%</td>
</tr>
</tbody>
</table>

HUMAN RESOURCE DEPARTMENT

INTRODUCTION
Personal management is that the field of management which has to do with planning, organizing and controlling various operative activities. Operative activities includes procuring, developing maintaining and utilizing a labor force in order that the objectives and interest for which the company is established or attained as effectively and economically as possible and the objectives and interests of labors itself are served to the highest degree. It is clear that personal management. It involves following functions,

Ø It is a management of human resources of the enterprises.
Ø It is concerned with the effective utilization of human resource.
Ø It is staff activities requiring special knowledge and skill.
Ø It is concerned with the achievement of common goals as well as integration of individual effects with the common goals.
Ø The principal and functions of general management are applicable at this area of management.

Personal management in Godavari sugar mills ltd. Is a neglected area. No separate personnel department is maintained there. The administration section performs personnel function in this organization.
Personnel department helps in performing the functions like Recruitment, Selection, training, Motivating and Placement of workers. If there is no personnel department, it reduces the moral of the workers.

This is also one of the important function of this department, keeping in view to update his knowledge and to increase his efficiency, so time after time such program are arranged by this department and employees of the company are kept in touch with the least ways of morale booster and fondness towards the company is generated in the blood of employees.

OBJECTIVES:

- To maintain a healthy relationship and act as a mediator between employer and employees.

- To recruit and select the prospective candidate, arrange for an interview and fill the vacancies in the concerned department.

- To take care of all the activities done by the other departments.

- Personal department is responsible all the good and bad workers done by the workers.

- HR department has to maintain the good relationship with all other departments.
THE MAIN FUNCTIONS OF HUMAN RESOURCE
THE MAIN FUNCTIONS OF HUMAN RESOURCE

Recruitment
It handles is recruiting and the appointing of the required staff for various department of the organization.

Appointment.
The person so appointed or selected will be placed in the vacant post defining the respective jobs to be done.

Induction
Later the induction program of the employees will be arranged for to introduce all the departments of company by the Labors officer as well as the concerned departmental heads. So the employees can come in terms with the objectives of the company and his participation in fulfillment of the company objectives considering him as an essential ingredient of the company.

Training policy
Every company or organization should have well-established training policy. A training policy is considered necessary for the following reasons.

a) To indicate a company’s intention to develop its personnel to provide guidance in the framing and implementations of programs to provide information concerning them to all concerned.
b) To discover critical areas where training is given on a priority basis and
c) To provide suitable opportunities to the employee for his own betterment.

ON JOB TRAINING (OJT)
Employees are coached and instructed by training instructors, they learn the job by personal observation and practice. It is learning by doing.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

Merits
1. Learns on the actual equipment in case and in the true environment of his job and therefore, gets a feel of actual production condition and requirements.
2. It is highly economically.
3. Learns rules and regulations through observation.
4. It is appropriate for short term learning programs.

Demerits
1. Instruction is often highly disorganized and not properly supervised.
2. Lack of motivation.
3. Low productivity.
### Department wise strength for the period from (1 July 08 to 31 July 08)

<table>
<thead>
<tr>
<th>Category</th>
<th>APP nos.</th>
<th>TR nos</th>
<th>CO nos.</th>
<th>DS nos</th>
<th>MG nos</th>
<th>PM nos.</th>
<th>SN nos.</th>
<th>Tot nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGRI</td>
<td>9</td>
<td>3</td>
<td>19</td>
<td>76</td>
<td>36</td>
<td></td>
<td></td>
<td>143</td>
</tr>
<tr>
<td>ETHYL LACTATE</td>
<td>3</td>
<td>11</td>
<td>10</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>FINANCE</td>
<td>1</td>
<td></td>
<td>8</td>
<td>33</td>
<td>1</td>
<td></td>
<td></td>
<td>23</td>
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<td>GEN ADMINISTRATION</td>
<td>4</td>
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<td>36</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>70</td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>1</td>
<td>1</td>
<td>9</td>
<td>31</td>
<td>83</td>
<td></td>
<td></td>
<td>147</td>
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<tr>
<td>MECHANICAL</td>
<td>31</td>
<td>18</td>
<td>6</td>
<td>24</td>
<td>99</td>
<td>121</td>
<td></td>
<td>341</td>
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<tr>
<td>RESEARCH &amp; DEVELOPMENT</td>
<td></td>
<td></td>
<td></td>
<td>22</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31</td>
<td>36</td>
<td>16</td>
<td>28</td>
<td>85</td>
<td>268</td>
<td>257</td>
<td>761</td>
</tr>
</tbody>
</table>
### Time Office

#### WORKING HOURS

<table>
<thead>
<tr>
<th>Shift Type</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL SHIFT</td>
<td>8 AM – 5.30PM</td>
</tr>
<tr>
<td>MORNING SHIFT</td>
<td>4 AM – 12.00PM</td>
</tr>
<tr>
<td>AFTERNOON SHIFT</td>
<td>12 PM – 8.00PM</td>
</tr>
</tbody>
</table>

#### LEAVE ENTRIES

<table>
<thead>
<tr>
<th>Type</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASUAL LEAVE</td>
<td>10 DAYS</td>
</tr>
<tr>
<td>SICK LEAVE</td>
<td>8 DAYS</td>
</tr>
<tr>
<td>EARNED LEAVE</td>
<td>25 DAYS</td>
</tr>
<tr>
<td>PRIVILEGE LEAVE</td>
<td>NOT &lt; 3 DAYS AND NOT &gt; 4 DAYS</td>
</tr>
</tbody>
</table>
**FINANCE DEPARTMENT**

Finance Department hierarchy

- **Deputy GM (Finance & Accounts)**
  - **Officer Cashier**
  - **Jr. Officer Cane Accounts**
    - **Asst. Cane Accountant**
      - **Clerks**
    - **Account Asst.**
      - **Clerks**

**Accounting Process:**
- Recording the transactions.
- Classifying the transactions.
- Summarizing the transactions.
- Analyzing and interpreting the results.

In this section accounts are maintained. Accounts are maintained in traditional method in this section accounts are maintained. Accounts are maintained in traditional method.
The main functions are:

- Recording all the accounts including employees and workers salary, their P.F. etc.
- It records all the payments of the factory.
- It records all the transaction of the factory

OBJECTIVES:

1) To maintain full and systematic records of business transactions: Accounting is the language of business transactions. Given the limitations of human memory, the main objective of accounting is to maintain a full and systematic record of all business transactions.

2) To ascertain profit or loss of the business: Business is run to earn profits. Whether the business earned profit or incurred loss is ascertained by accounting by preparing profit and loss account or income statement. A comparison of income and expenditure gives either profit or loss.

3) To depict financial position of the business: A company is interested in ascertaining its financial position at the end of this period. For this purpose, a position statement called Balance Sheet is prepared in which assets and liabilities are shown if the assets exceed liabilities, it is financially healthy, in other case it is financially weak.
The Historical Background Of The Indian Sugar Industry:

The sugar industry is proud to be an industry which spreads the taste of sweetness to the mankind. The history of origin of this industry is as old as the history of man himself. Sugar is generally made from sugarcane and beet. In India, sugar is produced mainly from sugarcane. India had introduced sugarcane all over the world and is a leading country in the making sugar from sugarcane.

‘Saint Vishwamitra’ is known as the research person of the sugarcane in religious literature. We can find the example of sugarcane in Vedic literature also as well as sugarcane. We can also find the reference of sugar and the sugarcane in Patanjali’s Mahabashya and the treaty on the grammar of ‘Panini’. Greek traveler ‘Niyarchus’ and Chinese traveler ‘Tai-Sung’ have mentioned in their travelogue that the people of India used to know the methods of making sugar and juice from sugarcane the great Emperor Alexander also carried sugarcane with him while returning to his country.

Thus from different historical references and from some ‘Puranas’ it can be concluded that method of making sugar from sugarcane was known to the people of Bihar. Historical evidences of sugar industry prospering in ancient India concrete and this has helped to develop and prosper the co-operative sugar movement in India.
National Scenario Of Sugar Industry:

The first sugar mill in the country was set up in 1903 in the United Provinces. There are 566 installed sugar mills, of which 453 were in operation in the year 2002-03 and utilized 194.4 million ton of sugarcane (69% of total cane production) to produce 20.14 million tons of sugar. About 5 lakh workmen are directly employed in the sugar. About 5 lakh workmen are directly employed in the sugar industry besides many in industries, which utilize by-products of sugar industry as raw material.

India is the largest consumer and second largest producer of sugar in the world. The Indian sugar industry is the second largest agro-industry located in the rural India. Indian sugar industry has been a focal point for socio-economic development in the rural areas. About 50 million sugarcane farmers and a large number of agricultural laborers are involved in sugarcane cultivation and ancillary activities, constituting 7.5% of the rural population. Besides, the industry provides employment to about 2 million skilled/semiskilled workers and others mostly from the rural areas. The industry not only generates power for its own requirement but surplus power for export to the grid based on by-product—Bagasse. It also produces ethyl alcohol, which is used for industrial and potable uses, and can be used to the manufacture Ethanol, an ecology friendly and renewable fuel for blending with petrol.

The sugar industry in the country uses only sugarcane as input, hence sugar companies have been established in large sugarcane growing states like Uttar Pradesh, Maharashtra, Karnataka, Gujarat, Tamil Nadu, and Andhra Pradesh. In sugar year 2003-04, these six states contribute more than 85% of total sugar production in the country; Uttar Pradesh, Maharashtra, and Karnataka together contribute more than 65% of total production.

The government of India licensed new units with an initial capacity of 1250 TCD up to the 1980s and with the revision in minimum economic size to 2500 TCD, the Government issued licenses for setting up of 2500 TCD plants thereafter. The government de-licensed sugar sector in the year of 11. September, 1988. The entrepreneurs have been allowed to set up sugar factories of expand the existing sugar factories as per the techno-economic feasibility of the project.
However, they are required to maintain a radial distance of 15 kms from the existing sugar factory. After de-licensing, a number of new sugar plants of varying capacities have been set up and the existing plants have substantially increased their capacity.

There are 566 installed sugar mills in the country as on March 31st 2005, with a production capacity of 180 lack MTs of sugar, of which only 453 are working. These mills are located in 18 states of the country.

**The sector wise break up’s as follows:**

**Table no#1**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Sector</th>
<th>No of factories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Private</td>
<td>189</td>
</tr>
<tr>
<td>2.</td>
<td>Public</td>
<td>62</td>
</tr>
<tr>
<td>3.</td>
<td>Co-operative</td>
<td>315</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>566</td>
</tr>
</tbody>
</table>

**International Scenario of Sugar Industry:**

Sugar is produced in 110 countries. The leading sugarcane producing countries are Brazil, India, Australia, Thailand, China and Cuba.

Sugar is extracted from two different raw materials, sugarcane and beet. Both produce identical refined sugar. Sugarcane is grown in semi-tropical regions, and accounts for around two-thirds of world accounts for the balance one third of world production. The Russian Federation, Ukraine and Europe account for around 80 per count of total beet sugar production. In addition to weather conditions, diseases, insects, and quality of soil, international trade agreements and domestic price support programmers affect production of sugarcane and beet.
International Sugar Industry:

Demand-Supply:

Brazil and India are the largest sugar producing countries followed by China, USA, Thailand, Australia, Mexico, Pakistan, France and Germany. Global sugar production increased from approximately 125.88 MMT in 1995-1996 to 149.4 MMT in 2002-2003 and then declined to 143.7 MMT in 2003-2004, whereas consumption increased steadily from 118.1 MMT in 1995-1996 to 142.8 MMT in 2003-2004 as shown in below given chart. The world consumption is projected to grow to 160.7 MMT by 2010 and 176.1 MMT by 2015.

The world’s largest consumers of sugar are India, China, Brazil, USA, Russia, Mexico, Pakistan, Indonesia, Germany and Egypt. According to USDA Foreign Agriculture Service, the consumption of sugar in Asian countries has increased at a faster rate, as a direct result of increasing population, increasing per capita income and increased availability.

Diagram no#1
Contribution of Sugar Industry to Indian Economy:

Sugar industry contributes about Rs.1650 crores to the Central Exchequer as excise duty and other taxes annually. In addition, about Rs.600 crores is realized by the State Governments annually through purchase tax and cess on cane. At the prevailing sugarcane price, the total sugar cane produced in the country value at about Rs.24000 crores per year.

World Sugar Trade:

Word trade in raw sugar is typically around 22 MMT and white sugar around 16 MMT. Brazil is the largest importer, followed by EU, Thailand, Australia and Cuba. The largest importers are Russia, Indonesia, UK, South Korea, Japan, Malaysia, the Middle East, and North Africa.

Sugar Prices:

World sugar prices fell steadily from 1994-1995 till 1998-1999 and have been almost stable at those levels. The trend seems to have now reversed and refined sugar prices have increased by 30% in the last 5 quarters – from 9.16 cents per pound in January, 2004 to 12.02 cents in March,2005 (Source: USDA Foreign Agriculture Services).

Sugarcane Availability:

Table showing sugar cane availability in cultivated area:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cultivated area (%)</th>
<th>MMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-81</td>
<td>2.7</td>
<td>154</td>
</tr>
<tr>
<td>1990-91</td>
<td>-</td>
<td>241</td>
</tr>
<tr>
<td>2000-01</td>
<td>-</td>
<td>296</td>
</tr>
<tr>
<td>2002-03</td>
<td>4.3</td>
<td>300</td>
</tr>
<tr>
<td>2003-04</td>
<td>3.9</td>
<td>-</td>
</tr>
<tr>
<td>2004-05</td>
<td>3.7</td>
<td>236</td>
</tr>
</tbody>
</table>
Sugarcane occupies about 2.7% of the total cultivated area and it is one of the most important cash crops in the country. The area under sugarcane gradually increased from 2.7 million hectares in 1980-81 to 4.3 million hectares in 2002-03, mainly because of much larger diversion of land from other crops to sugarcane by the farmers for economic reasons. The sugarcane area, however, declined in the year 2003-04 to 3.9 million hectares and to 3.7 million hectares in 2004-05, mainly due to drought and pest attacks. From a level of 154 MMT in 1980-1981, the sugarcane production increased to 241 MMT in 1990-1991 and further to 296 MMT in 2000-2001. Since then, it has been hovering around 300 MMT until last year. In the season 2003-2004, however, sugarcane production declined to 236 MMT mainly due to drought and pest attacks. Not only sugarcane acreage and sugarcane production has been increasing, even drawal of sugarcane by the sugar industry has also been increasing over the years. In India, sugarcane is utilized by sugar mills as well as by traditional sweeteners like guru and khandsari producers. However, the diversion of sugarcane to guru and khandsari is lower in states of Maharashtra and Karnataka, as compared to Northern states like UP.

**SUGARCANE UTILIZATION**

**Table no#3**

<table>
<thead>
<tr>
<th>Year</th>
<th>% Sugarcane utilization for</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>White Sugar</td>
<td>Guru and Khandsari</td>
<td>Seed, feed and chewing</td>
<td></td>
</tr>
<tr>
<td>1980-1981</td>
<td>33.4</td>
<td>54.8</td>
<td>11.8</td>
<td></td>
</tr>
<tr>
<td>1990-1991</td>
<td>50.7</td>
<td>37.4</td>
<td>11.8</td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td>59.7</td>
<td>28.8</td>
<td>11.5</td>
<td></td>
</tr>
<tr>
<td>2001-2002</td>
<td>57.4</td>
<td>31.5</td>
<td>11.1</td>
<td></td>
</tr>
<tr>
<td>2002-2003</td>
<td>68.9</td>
<td>20.1</td>
<td>11.1</td>
<td></td>
</tr>
<tr>
<td>2003-2004</td>
<td>56.1</td>
<td>32.5</td>
<td>11.4</td>
<td></td>
</tr>
</tbody>
</table>
Sugar Production:

Most of the sugar in India is manufactured and sold as “White Crystal Sugar” which is produced by Double Suspiration Process, while the norm in developed and emerging nations is refined sugar, which is produced by the Phosphoflotation Process.

Most of the mills in India are not equipped to make refined sugar Mills which are designed to produce refined sugar can manufacture sugar not only from sugarcane but also from raw sugar which can be imported. Therefore, such mills can run their production all the year round, as opposed to single state mills, which are dependent upon the seasonal supply of sugarcane.

Conclusion

India is a largest consumer of sugar in the world and second largest manufacturer of sugar followed by China, USA, Thailand, Germany, and Pakistan. In the sugar industry the top position is Brazil as it is a world largest manufacturer of sugar. As seeing the consumption of sugar the India is having a big market for sugar industry. As it is a large-scale industry it provides large profit for the country and it can also be helpful for development of industrial infrastructure. India is a world’s largest consumer and second largest manufacturing of sugar so the sugar must be cheaper. It can be provide by our sugar industry
Objectives of the study

1) To know the risk and return relationship of firm.

2) To study the short term solvency and liquidity position of the firm.

3) To evaluate the financial performance and operations of the firm.

4) To measure the financial strength of the firm.

Scope of the study

1. Ratio analysis helps in decision making from the information provided in financial statement.

2. Ratio analysis is of much help in financial forecasting and planning.

3. The financial strength and weakness of firm are communicated in a more easy and understandable manner by the use of ratio’s.

4. Ratio’s even help in coordination, which is of at most importance in effective business management.

5. Ratio analysis even helps in making effective control of business.
Need of study of ratio analysis

1) Evaluation of liquidity
2) Evaluation of profitability
3) Evaluation of operating efficiency
4) Evaluation of financial strength

PROJECT METHODOLOGY

This project is based on the data collected during the following 5 years namely,

2004-2005
2005-2006
2006-2007
2007-2008
2008-2009

These figures for the five years were taken from the balance sheet, profit & loss a/c & discussion with the company guide.

COLLECTION OF DATA:

Primary Sources:

- Through financial statements like balance sheet, profit and loss A/c for the 5 years.
- Through guide.
RATIO ANALYSIS

INTRODUCTION:

Ratio analysis is systematic use of ratio to interpret/assess the performance and status of the firm.

Ratio analysis is a widely used tool of financial analysis. It can be used to compare the risk and return relationship of firms of different sizes. It is defined as the systematic use of ratio to interpret the financial statements so that the strengths and weakness of a firm as well as its historical performance and current financial condition can be determined. It should be noted that computing the ratio does not add any information. What the ratio does is that they reveal the relationship in a more meaningful way so as to enable equity investors; management and lenders make better investment and credit decisions. The relationship of ratio analysis lies in the fact that it makes related information comparable.

Significance of Ratio Analysis
1. Ratio analysis helps in decision making from the information provided in financial statement.

2. Ratio analysis is of much help in financial forecasting and planning.

3. The financial strength and weakness of firm are communicated in a more easy and understandable manner by the use of ratio’s.

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Scope of the study
1. Ratio analysis helps in decision making from the information provided in financial statement.
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TYPES OF RATIOS
- Liquidity ratios
- Capital structure ratio
- Activity ratio
- Profitability ratio

LIQUIDITY RATIOS
The importance of adequate liquidity in the sense of the ability of a meet current/short term obligations when they become due for payment can hardly be overstressed. The liquidity ratio measures the ability of a firm to meet its short term obligations and reflect the short term financial strength/solvency of a firm. The ratios which indicate the liquidity of a firm.

1) CURRENT RATIO
Current ratio may be defined as the relationship between current assets and current liabilities. This ratio is also known as working capital ratio. It is calculated by dividing the total current assets by total current liabilities to measure the liquidity of the firm.

\[
\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}
\]
RATIO ANALYSIS and it has be done at GODAVARI BIOFRINERS LTD

Current assets include cash in hand, cash at bank, sundry debtors, inventory, and Current liabilities include, sundry creditors, bank overdraft etc.

2) ACID TEST RATIO

Acid test ratio may be defined as the relationship between liquid assets and liquid liabilities. It is also known as liquid ratio or quick ratio. Liquid assets include all current assets except inventory and prepaid expenses. Liquid liabilities include all current liabilities.

\[
\text{Acid test ratio} = \frac{\text{Liquid Assets}}{\text{Liquid liabilities}}
\]

LONG TERM SOLVENCY RATIO

The second category of financial ratios is leverage or capital structure ratios. The long term lenders/creditors would judge the soundness of a firm on the basis of long term financial strength measured in terms of its ability to pay interest regularly as well as repay the installment of the principal on due dates or in one lump sum at the time of maturity.

The long term solvency of a firm can be examined by using capital structure ratios. The capital structure ratios may be defined as financial ratios which throw light on the long term solvency of a firm as reflected in its ability to assure the long term lenders with regard to 1) periodic payment of interest during the period of the loan and 2) repayment of principal on maturity or in predetermined installments at due dates.

1) PROPRIETORY RATIO

The ratio that expresses the relationship between proprietor’s fund and total assets is called Proprietary ratio. This ratio can be calculated as under.

\[
\text{Proprietary Ratio} = \frac{\text{Capital}}{\text{Total Asset}}
\]

2) Fixed asset to long term fund ratio:

It is the ratio which establishes the relationship between the fixed assets and networth. It is calculated as under.
Fixed assets to long term fund Ratio = \[ \frac{\text{Fixed assets}}{\text{Long term funds}} \]

**ACTIVITY RATIO**

Activity ratio measures the speed with which various accounts/assets are converted into sales or cash. It is concerned with measuring the efficiency in asset management, these ratios are called efficiency ratio and asset utilization ratio. The efficiency with which the assets are used would be reflected in the speed and rapidity with which assets are converted into sales.

1) **INVENTORY TURNOVER RATIO**

Inventory turnover ratio is the ratio, which indicates the number of times the stock is turned over i.e., sold during the year. In other words, it is the ratio between the cost of goods sold and closing stock. It is also measures the speed of with which inventory is sold. The ratio is computed as follows:

\[
\text{Stock Turnover Ratio} = \frac{\text{Cost of goods sold}}{\text{Average Inventory}}
\]

3) **DEBTORS TURNOVER RATIO**

Debtor’s turnover rate is in between credit sales and debtors. In other words, it indicates the number of times the debts are collected in a year. This ratio is calculated as follows.

\[
\text{Debtors Turnover Ratio} = \frac{\text{Credit Sales}}{\text{Average debtors}}
\]

4) **DEBT COLLECTION PERIOD RATIO**

Debt collection period ratio is the ratio, which shows the average time taken by the firm to collect the debts. This is calculated as follows.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

Debt collection period ratio = \frac{365}{\text{Debtor’s turnover ratio}}

5) CREDITORS TURNOVER RATIO
Creditor’s turnover ratio is the ratio, which indicates the number of times the debts are paid in the year. This ratio is calculated as follows.

Credit purchase
Credit Turnover Ratio = \frac{\text{Credit purchase}}{\text{Average creditors}}

6) DEBT PAYMENT PERIOD RATIOS
Debt payment ratio is a ratio, which shows the average time taken by the firm to repay the debt. This ratio is calculated as follows.

\frac{365 \text{ days}}{\text{Creditor’s turnover ratio}}

7) FIXED ASSETS TURNOVER RATIO
The ratio, which expresses the relationship between the sales and total assets, is known as fixed assets turnover ratio.

\frac{\text{Sales}}{\text{Fixed Asset}}
8) WORKING CAPITAL TURNOVER RATIO

The ratio, which expresses the relationship between the working capital and sales, is called as Working capital turnover ratio. It is calculated as follows

\[
\text{Sales} \\
\text{Working capital turnover ratio} = \frac{\text{Net Working capital}}{\text{Sales}}
\]

PROFITABILITY RATIOS

Profitability ratios are calculated to determine the operating efficiency of the company. Profit is the difference between total revenues and expenses over a period of time. It is the ultimate output of the company without which the company has no future. Therefore, the financial manager should continuously evaluate efficiency of the company on terms of profits. Profitability ratios can be determined on the basis of sales or in relation to investments. Generally, two major types of profitability ratios are calculated.

- Profitability in relation to sales.
- Profitability in relation to investment.

PROFITABILITY IN RELATION TO SALES

Generally, the following profitability ratios are calculated in relation to sales

1) GROSS PROFIT RATIO

Gross profit ratio, is the ratio which expresses the relationship between gross profit and sales expressed in percentage. It is calculated as follows.

\[
\text{Gross profit} \\
\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Sales}} \times 100
\]
2) NET PROFIT RATIO

It is the ratio, which expresses the relationship between net profit and sales expressed in percentage. It is calculated as follows.

\[
\text{Net profit ratio} = \frac{\text{Net profit}}{\text{Sales}} \times 100
\]

PROBABILITY IN RELATION TO INVESTMENT

RETURN ON TOTAL RESOURCES

The ratio between net profit after tax and total assets is called as Return on total resources. It is calculated as follows.

\[
\text{Return on total resources} = \frac{\text{Net profit after tax}}{\text{Total assets}} \times 100
\]
ANALYSIS AND INTERPRETATION

1. TABLE SHOWING CURRENT RATIO

<table>
<thead>
<tr>
<th>year</th>
<th>current asset</th>
<th>current liabilities</th>
<th>ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>20894.49</td>
<td>15901.91</td>
<td>1.31</td>
</tr>
<tr>
<td>2006</td>
<td>25109.84</td>
<td>16196.56</td>
<td>1.55</td>
</tr>
<tr>
<td>2007</td>
<td>30605.28</td>
<td>8261.38</td>
<td>3.70</td>
</tr>
<tr>
<td>2008</td>
<td>29701.34</td>
<td>8586.72</td>
<td>3.46</td>
</tr>
<tr>
<td>2009</td>
<td>36798.92</td>
<td>10794.64</td>
<td>3.41</td>
</tr>
</tbody>
</table>

TABLE SHOWING CURRENT RATIO

INTERPRETATION:

1. CURRENT RATIO: In the year 2004-05 the ratio is 1.31 and in 2005-06 it was 1.55 and in the year of 2007, 2008, and 2009 it was increased up to 3.40.

   In the last three years i.e. 2007 and 2008 and 2009 ratio are which is not fare for the company form of organisation.
2. TABLE SHOWING THE LIQUID RATIO

<table>
<thead>
<tr>
<th>Year</th>
<th>Quick Assets</th>
<th>Current Liabilities</th>
<th>Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>5827.47</td>
<td>15901.91</td>
<td>0.37</td>
</tr>
<tr>
<td>2006</td>
<td>7039.61</td>
<td>16196.56</td>
<td>0.43</td>
</tr>
<tr>
<td>2007</td>
<td>8055.44</td>
<td>8261.38</td>
<td>0.98</td>
</tr>
<tr>
<td>2008</td>
<td>7959.11</td>
<td>8586.72</td>
<td>0.93</td>
</tr>
<tr>
<td>2009</td>
<td>10973.55</td>
<td>10794.64</td>
<td>1.02</td>
</tr>
</tbody>
</table>

**INTERPRETATION:**

In the year 2005 quick ratio is 0.37 and 2006 0.43, 2007 0.98 and in the last year it was increased to 1.02 which is near to 1:1.

Liquid ratio is improved year by year i.e. in 2005 0.37 which is very less to the standard ratio and into the year 2009 it is 1.02 which is far near to the standard ratio. It shows the consistency.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

3. TABLE SHOWING PROPRIETARY RATIO

<table>
<thead>
<tr>
<th>year</th>
<th>shareholders fund</th>
<th>fixed assets</th>
<th>Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>8149.18</td>
<td>44304</td>
<td>0.18</td>
</tr>
<tr>
<td>2006</td>
<td>9470.61</td>
<td>46233.84</td>
<td>0.20</td>
</tr>
<tr>
<td>2007</td>
<td>9818.52</td>
<td>52174.41</td>
<td>0.19</td>
</tr>
<tr>
<td>2008</td>
<td>10526.51</td>
<td>52881.4</td>
<td>0.20</td>
</tr>
<tr>
<td>2009</td>
<td>12022.78</td>
<td>60249.23</td>
<td>0.20</td>
</tr>
</tbody>
</table>

INTERPRETATION:

Proprietary ratio: In the year 2005 proprietary ratio is 0.18 and in 2006 0.20, 2007 - 0.19 which is decreased and in 2008 and 2009 it was increased to 0.20.

Proprietary ratio is constant which tells the shareholders fund is utilized optimally.
### 4. TABLE SHOWING FIXED ASSETS TO LONG TERM FUND RATIO

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed Assets</th>
<th>Long Term Fund</th>
<th>Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>21024.54</td>
<td>32145.67</td>
<td>0.65</td>
</tr>
<tr>
<td>2006</td>
<td>21193.07</td>
<td>30687.97</td>
<td>0.69</td>
</tr>
<tr>
<td>2007</td>
<td>21538.21</td>
<td>31234.44</td>
<td>0.69</td>
</tr>
<tr>
<td>2008</td>
<td>23149.14</td>
<td>30987.99</td>
<td>0.75</td>
</tr>
<tr>
<td>2009</td>
<td>29848.41</td>
<td>33675.55</td>
<td>0.89</td>
</tr>
</tbody>
</table>

Interpretation:

In the year of 2005 the fixed assets to long term fund ratio is 0.65 and in the 2006 it is increased to 0.69 and in 2007 it is same 0.69 and in 2008 and 2009 it is again increased to 0.75 and 0.89. Fixed assets to long term fund ratio this is also improving the standard fixed assets to long term fund ratio is 1:1 this concept fixed assets and long term fund ratio is increasing year by year but still it is below the standard.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

5. TABLE SHOWING INVENTORY TURNOVER RATIO

<table>
<thead>
<tr>
<th>year</th>
<th>cost of goods sold</th>
<th>average inventory</th>
<th>ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>39100.53</td>
<td>131232.96</td>
<td>0.30</td>
</tr>
<tr>
<td>2006</td>
<td>48286.8</td>
<td>116099.68</td>
<td>0.42</td>
</tr>
<tr>
<td>2007</td>
<td>48505.72</td>
<td>184101.63</td>
<td>0.26</td>
</tr>
<tr>
<td>2008</td>
<td>58294.59</td>
<td>186789.65</td>
<td>0.31</td>
</tr>
<tr>
<td>2009</td>
<td>78585.92</td>
<td>167358.68</td>
<td>0.47</td>
</tr>
</tbody>
</table>

INTERPRETATION:

In the year of 2005 stock turnover ratio is 0.30 and in 2006 0.42 and in 2007 it is decreased to 0.26 and in 2008 and 2009 it is increased to 0.31 to 0.47.

Stock turnover ratio is very less. More the ratio more will be operating efficiency
6. TABLE SHOWING DEBTORS TURNOVER RATIO

<table>
<thead>
<tr>
<th>Year</th>
<th>credit sales</th>
<th>average debtors</th>
<th>ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>39891.58</td>
<td>1882.935</td>
<td>21.19</td>
</tr>
<tr>
<td>2006</td>
<td>50103.34</td>
<td>3403.35</td>
<td>14.72</td>
</tr>
<tr>
<td>2006</td>
<td>50669.65</td>
<td>3937.06</td>
<td>12.87</td>
</tr>
<tr>
<td>2008</td>
<td>61116.51</td>
<td>3035.66</td>
<td>20.13</td>
</tr>
<tr>
<td>2009</td>
<td>82404.01</td>
<td>6622.46</td>
<td>12.44</td>
</tr>
</tbody>
</table>

INTERPRETATION:

In the year of 2005 the debtors turnover ratio is 21.19 times but in the year of 2006 it decreased to 14.72 times and again it is decreased to 12.87 times and in 2008 it is increased to 20.13 times but in the year of 2009 it is decreased to 12.44 times.

The company is in a position to convert the debts into cash 12 times in a year. It also indicates the efficiency of the management credit.
RATIO ANALYSIS and it has be done at GODAVARI BIOFRINERS LTD

7. TABLE SHOWING DEBT COLLECTION PERIOD RATIO

<table>
<thead>
<tr>
<th>Year</th>
<th>Days</th>
<th>Debtors Turnover Ratio</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>365</td>
<td>21.18585</td>
<td>17.23</td>
</tr>
<tr>
<td>2006</td>
<td>365</td>
<td>14.72177</td>
<td>24.79</td>
</tr>
<tr>
<td>2006</td>
<td>365</td>
<td>12.86992</td>
<td>28.36</td>
</tr>
<tr>
<td>2008</td>
<td>365</td>
<td>20.13286</td>
<td>18.13</td>
</tr>
<tr>
<td>2009</td>
<td>365</td>
<td>12.44311</td>
<td>29.33</td>
</tr>
</tbody>
</table>

INTERPRETATION:

In the year of 2005 the debt collection period is 17.23 days and it is increased in the year of 2007 and in the year of 2009 is 18.13 days and 29.33 days. As though it increases in collecting of debts it is below the standard time.
8. TABLE SHOWING CREDITORS TURNOVER RATIO

<table>
<thead>
<tr>
<th>Year</th>
<th>Credit Purchase</th>
<th>Average Creditors</th>
<th>Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>21837.1</td>
<td>2584.83</td>
<td>8.45</td>
</tr>
<tr>
<td>2006</td>
<td>35933.66</td>
<td>6246.42</td>
<td>5.75</td>
</tr>
<tr>
<td>2007</td>
<td>30649.3</td>
<td>8304.29</td>
<td>3.69</td>
</tr>
<tr>
<td>2008</td>
<td>33044.26</td>
<td>7819.87</td>
<td>4.23</td>
</tr>
<tr>
<td>2009</td>
<td>47961.31</td>
<td>17390.62</td>
<td>2.76</td>
</tr>
</tbody>
</table>

INTERPRETATION:

In the year of 2005 the creditor’s turnover ratio is 8.45 times and it is same in the 2006 but in the year of 2007 it is decreased to 3.69 times and in 2008 it is little bit increase to 4.23 times and in 2009 it decreased to 2.76 times.

In this situation the company can make the payments to its creditors 2.5 times in a year.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

9. TABLE SHOWING DEBT PAYMENT PERIOD RATIO

<table>
<thead>
<tr>
<th>Year</th>
<th>DAYS</th>
<th>CREDITORS</th>
<th>TURNOVER</th>
<th>PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>365</td>
<td>8.448176</td>
<td>43.20</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>365</td>
<td>5.752681</td>
<td>63.45</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>365</td>
<td>3.690779</td>
<td>98.90</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>365</td>
<td>4.225679</td>
<td>86.38</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>365</td>
<td>2.757884</td>
<td>132.35</td>
<td></td>
</tr>
</tbody>
</table>

INTERPRETATION:
In the year 2005 the debt payment ratio is 43.20 days and in the year of 2006 63.45 days, 2007 98.90 days, 2008 86.38 days, and in the last year it is increased to 132.35 days. It indicates the average time taken by the company to make the settlement of payments.
10. TABLE SHOWING FIXED ASSETS TURNOVER RATIO

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NET SALES</th>
<th>FIXED ASSETS</th>
<th>RATIOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>39891.58</td>
<td>21024.51</td>
<td>1.90</td>
</tr>
<tr>
<td>2006</td>
<td>50103.34</td>
<td>21193.07</td>
<td>2.36</td>
</tr>
<tr>
<td>2007</td>
<td>50669.65</td>
<td>21538.21</td>
<td>2.35</td>
</tr>
<tr>
<td>2008</td>
<td>61116.51</td>
<td>23149.14</td>
<td>2.64</td>
</tr>
<tr>
<td>2009</td>
<td>82404.01</td>
<td>29484.41</td>
<td>2.79</td>
</tr>
</tbody>
</table>

INTERPRETATION:

In the year of 2005 the fixed asset turnover ratio is 1.90 and in the year of 2006 and 2007 it increased to 2.36 and 2.35 and decreased in the year of 2.64 and 2.79. Fixed assets turnover ratio is in the positive move or trend.
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

11. TABLE SHOWING WORKING CAPITAL TURNOVER RATIO

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALES</th>
<th>NET CAPITAL</th>
<th>WORKING RATIOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>39891.58</td>
<td>10992.58</td>
<td>3.63</td>
</tr>
<tr>
<td>2006</td>
<td>50103.34</td>
<td>8913.68</td>
<td>5.62</td>
</tr>
<tr>
<td>2007</td>
<td>50669.65</td>
<td>22343.9</td>
<td>2.27</td>
</tr>
<tr>
<td>2008</td>
<td>61116.51</td>
<td>21114.62</td>
<td>2.89</td>
</tr>
<tr>
<td>2009</td>
<td>82404.01</td>
<td>25943.28</td>
<td>3.18</td>
</tr>
</tbody>
</table>

INTERPRETATION:

In the year of 2005 the Working capital turnover ratio is 3.63 and it is increased in the year of 2006 5.62 and decreased in the two year and again increased in the year of 2009 3.18.

Working capital turnover ratio is not at all constant. Some time it is increasing and decreasing but the increasing trend is good for the company.
### 12. Table Showing Gross Profit Ratio

<table>
<thead>
<tr>
<th>YEAR</th>
<th>GROSS PROFIT</th>
<th>NET SALES</th>
<th>RATIOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>791.05</td>
<td>39891.58</td>
<td>1.98%</td>
</tr>
<tr>
<td>2006</td>
<td>1816.54</td>
<td>50103.34</td>
<td>3.63%</td>
</tr>
<tr>
<td>2007</td>
<td>2163.93</td>
<td>50669.65</td>
<td>4.27%</td>
</tr>
<tr>
<td>2008</td>
<td>2821.92</td>
<td>61116.51</td>
<td>4.62%</td>
</tr>
<tr>
<td>2009</td>
<td>3818.09</td>
<td>82404.01</td>
<td>4.63%</td>
</tr>
</tbody>
</table>

**Interpretation:**

In the year of 2005, the gross profit ratio is only 1.98% and in the consisting year the gross profit ratio goes on increasing trend and the present gross profit ratio of 2009 is 4.63%.

Gross profit ratio is increasing year by year.
13. TABLE SHOWING NET PROFIT RATIO

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NET PROFIT</th>
<th>NET SALES</th>
<th>RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>260.96</td>
<td>39891.58</td>
<td>0.65%</td>
</tr>
<tr>
<td>2006</td>
<td>1024.99</td>
<td>50103.34</td>
<td>2.05%</td>
</tr>
<tr>
<td>2007</td>
<td>347.92</td>
<td>50669.65</td>
<td>0.69%</td>
</tr>
<tr>
<td>2008</td>
<td>1281.82</td>
<td>61116.51</td>
<td>2.10%</td>
</tr>
<tr>
<td>2009</td>
<td>2603.31</td>
<td>82404.01</td>
<td>3.16%</td>
</tr>
</tbody>
</table>

INTERPRETATION:

In the year of 2005 the net profit ratio is 0.65% and in 2006 it increased to 2.05% and in the year of 2007 it is decreased to 0.69% and again increased in 2008 2.10% and in 2009 it increased to 3.16%.

Net profit ratio is also increasing year by year.
14. TABLE SHOWING RETURN ON TOTAL RESOURCES

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NET PROFIT AFTER TAX</th>
<th>TOTAL ASSETS</th>
<th>RATIOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>131.65</td>
<td>41142.85</td>
<td>0.32%</td>
</tr>
<tr>
<td>2006</td>
<td>565.94</td>
<td>46333.07</td>
<td>1.22%</td>
</tr>
<tr>
<td>2007</td>
<td>347.89</td>
<td>52174.41</td>
<td>0.67%</td>
</tr>
<tr>
<td>2008</td>
<td>1281.82</td>
<td>52881.14</td>
<td>2.42%</td>
</tr>
<tr>
<td>2009</td>
<td>2631.31</td>
<td>60249.23</td>
<td>4.37%</td>
</tr>
</tbody>
</table>

**INTERPRETATION:**

In the year of 2005 the return on total resources is 0.32% and in the year of 2006 it is increased to 1.22% and decreased to 0.67% and in the year of 2007 it is increased to 2.42% and in 2008 and 2009 it is again increased to 4.37%. Return on total resources is also favorable to the company.
FINDINGS AND SUGGESTION

Findings:

1) In the year 2005 the current ratio is 1.31 and in 2006 it was 1.55 in 2007 it was increased to 3.70 and in 2008 it was decreased to 3.46 and in 2009 it was 3.41 but it is more than the standard ratio. This is not fare for the company’s financial position.

2) In the year 2005 quick ratio is 0.37 and 2006 0.43, 2007 0.98 and in the last year it was increased to 1.02 which is near to 1:1. This ratio shows the companies consistency.

3) Proprietary ratio: In the year 2005 proprietary ratio is 0.18 and in 2006 0.20, 2007 0.19 which is decreased and in 2008 and 2009 it was increased to 0.20 it tells that the shareholder fund is utilized optimally.

4) In the year of 2005 the fixed assets to long term fund ratio is 0.65 and in the 2006 it is increased to 0.69 and in 2007 it is same 0.69 and in 2008 and 2009 it is again increased to 0.75 and 0.89.

5) In the year of 2005 stock turnover ratio is 0.30 and in 2006 0.42 and in 2007 it is decreased to 0.26 and in 2008 and 2009 it is increased to 0.31 to 0.47 it shows the inefficiency of the company’s management.

6) In the year of 2005 the debtors turnover ratio is 21.19 times in year but in the year of 2006 it decreased to 14.72 times and again it is decreased to 12.87 times and in 2008 it is increased to 20.13 times but in the year of 2009 it is decreased to 12.44. it will also shows the inefficiency of company and the techniques used by the becoming failures.

7) In the year of 2005 creditor’s turnover ratio is 8.45 and it is same in the 2006 but in the year of 2007 it is decreased to 3.69 and in 2008 it is little bit increase to 4.23 and in 2009 it decreased to 2.76. This ratio shows that impact on the working capital.

8) In the year of 2005 the debt collection period is 17.23 days and it is increased in the year of 2007 and in the year of 2009 is 18.13 days and 29.33 days. It indicates that the ratio is satisfactory because they are collecting the debts within the standard time.

9) In the year 2005 the debt payment ratio is 43.20 days and in the year of 2006 63.45 days, 2007 98.90 days, 2008 86.38 days, and in the last year it is increased to 132.35 days. It shows the average time taken to make the payments to creditors.
10) In the year of 2005 the fixed asset turnover ratio is 1.90 and in the year of 2006 and 2007 it increased to 3.36 and 3.35 and decreased in the year of 2.64 and 2.79. It shows that the fixed turnover ratio is moving towards the positive trend.

11) In the year of 2005 the gross profit ratio is only 1.98% and in the consisting year the gross profit ratio goes on increasing trend and the present gross profit ratio of 2009 is 4.63%. It shows that the company’s gross profit ratio is increasing year by year which is good for the company.

12) In the year of 2005 the net profit ratio is 0.65% and in 2006 it increased to 2.03% and in the year of 2007 it is decreased to 0.69% and again increased in 2008 2.10% and in 2009 it increased to 3.16%. Which will reflect on the overall profitability of the organization.

13) In the year of 2005 the return on total resources is 0.32% and in the year of 2006 it is increased to 1.22% and decreased to 0.67% and in the year of 2007 it is increased to 2.42 and in 2008 and 2009 it is again increased to 4.37%. It is favorable for the company.

14) In the year of 2005 the Working capital turnover ratio is 3.63 and it is increased in the year of 2006 5.62 and decreased in the two year and again increased in the year of 2009 3.18. Which will reflects good for the company.

Suggestion

1. It has been found that the current ratio is higher than the required ratio which indicates the blocking of assets which can be avoided.
CONCLUSION:

The overall financial performance of the company is good and the company is making also good in the collection of funds from the debtors and the company as to make the payments to creditors as early as possible and the company’s gross profit ratio and the net profit ratio is showing the positive sign.
BIBLIOGRAPHY

References:

1) Financial Management
   - M.Y.Khan and P.K.Jain
2) Cost accounting and financial management
   - Saravana Prasath
3) Website:
   www.somaiya.com
RATIO ANALYSIS and it has been done at GODAVARI BIOFRINERS LTD

ANNXURE:

As per company balance sheet and profit and loss account and annual report these figures are taken 2009.

<table>
<thead>
<tr>
<th>s.no</th>
<th>Particulars</th>
<th>Amount in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Current assets</td>
<td>36798.92</td>
</tr>
<tr>
<td>2</td>
<td>Current liabilities</td>
<td>10794.62</td>
</tr>
<tr>
<td>3</td>
<td>Quick assets</td>
<td>109733.55</td>
</tr>
<tr>
<td>4</td>
<td>Shareholder fund</td>
<td>12022.78</td>
</tr>
<tr>
<td>5</td>
<td>Fixed assets</td>
<td>29848.41</td>
</tr>
<tr>
<td>6</td>
<td>Long term fund</td>
<td>33675.55</td>
</tr>
<tr>
<td>7</td>
<td>Cost of goods sold</td>
<td>78585.92</td>
</tr>
<tr>
<td>8</td>
<td>Average inventory</td>
<td>167358.68</td>
</tr>
<tr>
<td>9</td>
<td>Gross profit</td>
<td>3818.09</td>
</tr>
<tr>
<td>10</td>
<td>Net profit</td>
<td>2603.31</td>
</tr>
<tr>
<td>11</td>
<td>Net profit after tax</td>
<td>2631.31</td>
</tr>
<tr>
<td>12</td>
<td>Average creditors</td>
<td>17390.62</td>
</tr>
<tr>
<td>13</td>
<td>Average debtors</td>
<td>6642.36</td>
</tr>
<tr>
<td>14</td>
<td>Net sales</td>
<td>87404.01</td>
</tr>
<tr>
<td>15</td>
<td>Net working capital</td>
<td>25943.28</td>
</tr>
<tr>
<td>16</td>
<td>Credit Purchase</td>
<td>47961.31</td>
</tr>
</tbody>
</table>