

Co-operative sugar mills limited, salem.

[History](#)



A Summer Project at Co-operative Sugar Mills Limited, Salem. SUMMER PROJECT REPORT Submitted by DHANABAL. K Register No: 713211631026 in partial fulfillment for the award of the degree of MASTER OF BUSINESS ADMINISTRATION IN RVS INSTITUTE OF MANAGEMENT STUDIES COIMBATORE - 641402 AUGUST 2012 RVS INSTITUTE OF MANAGEMENT STUDIES COIMBATORE -641 402 SUMMER PROJECT REPORT AUGUST 2012 This is to certify that the project entitled A Summer Project at Co-operative Sugars Limited, Salem. is the bonafide record of project work done by DHANABAL. K Register No: 713211631026 f Master of Business Administration during the year 2012-2013. MR. AJITH SUNDARAM DR. J. NIRUBA RANI (Project Guide) (Head of the Department) DECLARATION I affirm that the summer project work titled “ CO-OPERATIVE SUGAR MILL” being submitted in partial fulfillment for the award of Master of Business Administration is the original work carried out by me. It has not formed the part of any other project work submitted for award of any degree or diploma, either in this or any other University. DHANABAL. K 713211631026

I certify that the declaration made above by the candidate is true. Mr. Ajith Sundaram ACKNOWLEDGEMENT “ Gratitude is the music of our hearts. ” A summer project of such a comprehensive finish cannot be completed without the help of numerous sources and people throughout the long rugged path of success. We realize this fact and so, we are greatly indebted to all of them and take this opportunity to thank them. First and foremost I would like to thank god almighty whose blessings made me to complete the training successfully. It is a great pleasure to acknowledge my sincere thanks to Dr. P. V. PRABHA, MBA, M.

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INTRODUCTION: The Salem Co-operative Sugar Mills is situated on the banks of River Cauvery at a distance of 20 kms from Namakkal, which is the nearest town. The factory and residential colony is located in an extent of 148 acres of Pettapalayam Village.

The Sugar factory plays a significant role in the social and economic uplift of people day and night and plays a significant role in essential items like sugar, molasses, bagasse, alcohols, and bio-fertilizers. Sugar cane is cultivated in more than 110 countries and India stands first in sugar production with around 20 established sugar factories and over 35 million farmers and agricultural laborers involved in sugarcane cultivation and harvesting. Tamil Nadu has a rich tradition of successful sugarcane cultivation. It occupies 2.6 lakh hectares representing 65% of cane, a major portion being crushed by 36 sugar factories in Tamil Nadu and Pondicherry. The benefit of these items is industry related to regular activities of the common people in rural areas. In addition, other by-products from sugar factories play a principal role in the foreign exchange in an indirect way.

ABOUT THE INDUSTRY HISTORICAL BACKGROUND: Human, throughout its history, has enjoyed sweet food and like sugar brings out flavors, intensifies colors and also acts as a preservative and fermenting agent.

In olden days we know that it is one of the cheapest sources of energy i.e. calories. Sweetness sources occur naturally in plants. There is lack of static data to determine when cane sugar became the principal sweetener in any given part of the world. But it can be stated that cane sugar was first made in India and achieved dominant status 2000 or more years ago. The earliest precise and secure date for manufacture of sugar from sugarcane is in Kautilya's Arthashastra, a Sanskrit manual on statesmanship written in 324-300 B.C. Kautilya was a government official. Cultivation of sugarcane as a commercial crop was widely spread in the Ganges valley. Its organization systematic integration into dependent parts to form

a whole it is culture of relationship among various position or job. This structure of entity comprises horizontal and vertical authority relationship. It is system of the co-operative attainment of common purpose organization represents the hierarchical arrangement of various positions in the enterprises. Designing of an appropriate structure is essential for successful engagement.

This several firm of organization but all of them are not suitable to all enterprises it depends upon the nature size and objectives of a particular enterprises these for every department has to plan & developed an appropriate structure for itself. The search for job satisfaction seems to be going on at every level of the organizations, by people all types of jobs, by young and old men and women, by white collar and blue-collar employees and by minority and majority. But according to Maslow, “ Man is a wanting animal” As soon as one of his needs is satisfied another appears in its place this process is unending.

It continuous from birth to death. Man continuously puts forth effort-works, if you please to satisfy his needs”. In such a continuous process of course, satisfaction is Seldom achieved. “ The term job satisfaction refers to an employee’s general attitude towards his job. To the extent that a Person’s job fulfills his dominant need and is consistent with his expectations and values, the job will be satisfying”. Thus job satisfaction is essentially related to human needs and their fulfillment through work.

COMPANY PROFILE The Salem Co-operative sugar mills ltd. Mohanur on agro-based industrial undertaking was established in Pettapalayam talus in Namakkal district to fulfill the long felt need of the public in general and the sugar cane grower in

particular. This area was traditionally a cane potential area. Normally the bulk of cane grower in this area was sent to namakkal district coop. sugar mills to cater to the need of the sugar cane grower of this area sugar factory was established with a crushing capacity of 2, 500 TCD at a total project cost of Rs. 3, 300. 00 lakhs. This sugar factory is situated Pettapalayam village, Mohanur talus in namakkal district about 20Kms from amakkal town and 50Kms fro Salem city. The location of the mills is 5Kms from Salem to Vellore main road. The area of the mills is 96. 14 acres. The mill was registered under the tamilnadu co-operative society's act 1961 and 25th November 1987. The foundation stone was laid by the hon'ble chief minister of tamilnadu Dr. kalaingnar on 13. 05. 1990. The factory commenced its first crushing season on 1st October 1992. The unique feature of the mills is installing of 2. 5 MW co-generation plant using the bagasse as raw material at a cost of 01. 23 crores.

The mill has obtained ISO 9001-2000 certificate during 2003 for a period of three years and subsequently renewed up to June 2009. To improve the mill efficiency, boiler efficiency and quality of sugar-modernization of mills and boiler with DCS system and installation of rotary screen for filtering the bagacillo in cane juice installation of auto PH control system, the tender finalized. The government of tamilnadu has sanctioned Rs. 57. 50lakhs under part II scheme. The Sugar Mill was registered under TamilNadu Co - operative Act on 29. 08. 1966 and was started in 15. 12. 966. The commencement of production activities stated in 20. 12. 1972. Another unit was started 28. 02. 1987 and its capacity was increased to 2000 TCD. The Industry covers a total land area 171. 73 acres including 20 acres for area of

cane cultivation. 76. 73 acres for area of factory, 45 acres for housing and colony administrative office and 30 acres for Polytechnic. The area of operation covers entire Denkanikottai, Namakkal Pennagaram taluk part of Namakkal, Pochampalli taluk Namakkal District and Kadyampatti firika Omalur (T. K) in Salem District. CANE INFORMATION

Sugar cane is a traditional crop of India and it's under cultivation since time immemorial in the indo-gangetic belt. There are numerous mentions of sugar cane in several of our ancient books such as " Atharva Veda", " Rig Veda" etc dating back to 1000BC TO 3000BC. Foreign travelers to India, about 2000 years ago, have mentioned about sugar cane. Buddhist literature has several mentions of sugar cane and sugar. GENERAL AWARDS TO THE MILL * Tamilnadu co-operative union, selected their mill for the best co-operative sugar mill in tamilnadu continuously for 06 years from 1979-83. The national federation of co-operative sugar factories limited also awarded Second prize in tamilnadu level cane development (low recovery zone)at 2002-2003. * Tamilnadu government award first for the recovery and production of sugar in 2003. QUALITY POLICY The salem co-operative sugar mills ltd. , consistently manufacture and deliver sugar of quality that comply with national and standard by 1. Strict adherence to product quality requirements and management system 2. Ongoing training and effective communication 3. Team effort and contribution by individuals in continual improvement programs.

The salem co-operative sugar mills is situated and the salem dam at distance of 25 kms, from udumalpet which is the nearest town the factory and residential colony is located in an extent of 158 acres of krishanapuram

village. AREA OF OPERATION The salem co-operative sugar mills Ltd Area of Operation consists of a Tirupur district (Madathukulam taluk part, Udumalpet taluk part, palani taluk part), in Coimbatore district (pollachi taluk part,) and near around 86 village level. Our Sugar Mills consists of 4 divisions and 2 sub divisions in which 12 cane sections are functioning Objectives of the mills

The main objective of the mill shall be manufacture of white sugar from Sugarcane and the sale of sugar so manufactured along with the by products to the best advantage of the members. Management The management of the mill was vested committee of the management comprising of 21 directors nominated by the Government of Tamilnadu. The term of office of the committee expired on 31/07/87. Now the Government has appointed an Administrator in the place of the committee of management. Production capacity Initially the mill was installed to crush 1250 TCD (Tones of crushed per Day).

From the year 94-95, crushing season the crushing capacity has increased from 1250 TCD to 1500 TCD. Total number of employees There are 450 workers and officers workers in TCSM. 175 NMS are working in the mills. There is also a full time Medical officer appointed for dispensary inside the mill premises. Departments There are six departments in TCSM. They are 1. Purchase 2. Production 3. Quality Control 4. Stores 5. Sales 6. Accounts 7. Cane SCOPE & OBJECTIVES OF THE STUDY OBJECTIVES OF THE STUDY The Objectives of the study are: * To familiarize with business and service organization. To Getting practical experience regarding the organization function. * To learn about the policies and function of the organization. * To get industrial exposure and experience. * To understand the production and

selling methods. SCOPE OF THE STUDY * The study is mainly based on the details collected from each department. * It provides better understanding at function level of each department. I. e Purchase, production, sales, finance and human resource management. * Each and every activity of the company has been studied very carefully with the data available. Apart from that I gained knowledge of the functioning of different department and their inter relationship with each other. * This study helped me familiarize with the manufacture and selling the sugar. OBJECTIVE OF THE ORGANIZATION

OBJECTIVE OF ORGANIZATION: * To become the preferred of personnel by offering highest quality of work life n the industry. * To be the most outstanding supplier in the industry during by meeting customer expectations. * To be the first place among locations in the company in ' earnings per employee' ratio in the industry during the present decade. To achieve at least 10% growth every year in turnover, profits and value addition. * To implement measures to ensure zero defects, there by customer delight will be achieved. * To raise share capital and deposits from the members. * To raise loans supplementary loans and in term loans supplementary loans and in term loans for investment in Block assets. * To provide welfare facilities for the employees. * To recruit and appoint on Permanent, Temporary contract basis or in any other manner considered necessary by the committee of the society. To undertake measured for the increased produced of sugar cane and supply of seeds manure, implements, irrigation facilities and other products requested and provisions of technical advice regarding improved cultivation practices. * To run educational and technical institutions for the benefit of cane growing members and employees of the sugar mill. * To provide for the welfare of the person

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employed by the Co - operative society. AREA COVERAGE: * Early and Mid season planting * 70% * Late season planting * 20% * Special season planting 10% SEASONS FOR SUGARCANE * Early -December -January (Margazhi -Thai) * Mid -February -March (Masi -pankuni) * Late -April -May (chitthirai-vaikasi) * Special -June -August (Aanni-Avani) COMPANY VISION AND MISSION: VISION: * To become no. 1 among all cooperative sugar mills in the state in all aspects. * Empower employees for shouldering higher responsibilities resulting in job enrichment and job satisfaction. * Aim to grower in business and to make the senior officials of by grooming and motivating them. MISSION: Strive to achieve excellence in manufacturing sugar through our dedicated, loyal and committed work force to enhance customer satisfaction. * Strive to achieve maximum value addition trough the most effective use of resource. PURCHASE DEPARTMENT PURCHASE DEPARTMENT INTRODUCTION: Subramanian Siva co-operative sugar mills handle the scientific and modern methods' of management to procure their Raw materials for the production. Brine reading is the instrument used to measure the sugar contents of the sugar cane. If the content of sugar is low; the sugar cane will be allowed to grow for one or more months.

They get the sugar cane form gopalapuram, dharmapuriDistricts. LIST OF SUPPLIERS: Inrespectof the sugar units in Tamilnadu, there is a list of registered suppliers for subiramaniya Siva Co-Operative Sugar Mill, such as Calcutta, Bhubaneswar and Cuttack which are suppliers of raw materials, who are notified sugar belts in India? The name and address of the suppliers are maintained by the purchase in charge staff. This list has to be updated as

per the format then and there, whenever new vendors are added, the supplier's registers are to be maintained as per the format. ENQUIRY:

As soon as the valid purchase requisites are received, local city or head office shall float Enquiries as to whenever cane is to be sent to the manufactures. PURCHASE ORDER: The purchase orders are to be paced by the department of purchase with the approval of the approval of the Deputy Manager (DGM). These Purchase orders placed under the conditions are supervisions of Deputy General Manager (DGM). TERMS AND CONDITIONS OF PURCHASE ORDER: The purchase order must contents the complete satisfaction of the materials. The details are as follows: 1. Quantity 2. Mode of delivery 3. Price 4.

Duties and Tax Insurance 5. Order number 6. Pre-payment Great care is taken by the officials before placing the order, to avoid over stocking and loss of interest. The breakup delivery schedules are strictly followed to avoid losses when planning bulk-orders. The purchase copies are distributed to various levels of the Organization and vendors. Usually 7 copies of purchase bills prepared. 1. Original copy to supplier 2. Copy to Vice-President 3. Copy to Senior Manager 4. Copy to Stores 5. Copy to indenting department 6. Copy to purchase department 7. Copy to General Manager PAYMENT PROCEDURES:

Salem Co-Operative Sugar Mill and chemicals Ltd. , follows the following procedures for Payments. Minimum 30 days of credit is required Stocks are sent through bank/directly Some purchases are made by cash. No advance is paid. CANCELLATION OF PURCHASE ORDER: The purchase order may be cancelled with the approval of Deputy General Manager Specifying <https://assignbuster.com/co-operative-sugar-mills-limited-salem/>

requirements. RECEIPTS AND INSPECTION OF MATERIALS: The consignments are received and formally scheduled against the purchase order and the purchase order and the invoice issued by the suppliers. Acknowledgements are issued to carriers.

Acknowledgements are issued to suppliers. The Storekeepers takes the responsibility of these goods STORES DEPARTMENT: An organization can have various types of stores like raw materials, store, processed or semi-finished material store, finished goods store and so on. Such range from ordinary one with shelves and bins to cold or dehumidified storage, huge silos for storage of food grains or bonded stores for keeping goods on which customs and excise duties have not been paid. Storage is essential part of the economic cycle and stores management is today a specialized function which can contribute significantly.

DUTIES AND RESPONSIBILITIES OF STOREKEEPER: To receive the materials.

To keep materials in the right place and in the manner Prescribed. MAJOR

RESPONSIBILITIES OF STORES DEPARTMENT: * The major responsibilities of stores are listed below: * Identification of all material stores. * Receipt of incoming goods. * Inspect of all receipts. * Stores and preservation. * Materials handling. * Packing. * Issue and dispatch. * Maintenance of stores records. * Stores accounting. * Inventory control * Stock taking.

PRODUCTION DEPARTMENT PRODUCTION DEPARTMENT

Production means creation of utilities and covers all the activities of procurement, allocation and utilization of resources such as labor, energy, materials, equipment, machinery, etc. production management involving planning, organizing, directing and controlling the production system.

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Management is the process of effectively programming, co-coordinating, controlling production. ABOUT THE SUGAR Sugar is an essential item of everyday food in human life. It is the provider of chief source sweetness to the food. Sugar is a carbon-hydrate which suppliers to the human about 13% of energy required for his existence.

It supplies energy to the human body more quickly and more effectively. Apart from these, it is a cheaper source of energy than any other common food. PRODUCTION CAPACITY Initially the mill was installed to crush 2000 TCD (tones of cane crushed per day). From the year 2009-2010, crushing season the crushing capacity has increase from 2000TCD to 2524 TCD. PRODUCTION PERIOD: Sugar is produced for a period of only 6 months in SSCSM from November to april since the recovery rate is high only in this period. FUNCTION OF FACTORY MANAGER: Production planning * Production control Quality control * Inventor control * Material handling * Work measurement * Cost control * Wage incentive to workers * Standardization and storage DUTIES OF DEPUTY CHIEF ENGINEER: The deputy chief engineer is responsible for the overall maintenance and working of factory machinery. He is answerable to the factory manager with respect to the working of the machinery. He prepares the purchase indents statements concerning the factory. Makes periodical checkups and ensures that all the safety arrangements, in accordance with the factories Act, are duly complied with.

He supervises the works of assistant engineer, supervises, typist and other workers is answerable on their part to the factory manager. DUTIES OF ASSISTANT ENGINEER (Civil): The assistant engineer (Civil)is responsible for the civil works of the entire factory. He looks the construction activities, if

any, is responsible for repair works, patching works and overall maintenance of the factory buildings. He makes plans, schedules, etc for the construction and maintenance works and makes sure the buildings and premises and in accordance with the provisions of the act. DUTIES OF CHIEF CANE OFFICER: To target for cane cultivation in the cane command area of SSCSM * To issue cultivation orders at the due date to the members and cane growers of SSCSM DUTIES OF COME DEVELOPMENT OFFICER: * Supervise cane planting work. * Introduce new cane varieties to the cane assistant. * Advice others on the application of pesticides. * Check whether the members (subscription) share amount is received and deposited in the bank. * Convene meetings, supervise, issue circulars and verify cane weighment. CONSTITUENTS OF CANE JUICE: A) Water- 75 to 80 % b) Sucrose - 10 to 20 % c) Reducing sugar- 0. to 3 % d) Organic matter other sugar - 0. 5 to 1% e) Inorganic compounds- 0. 2 to 0. 6 % f) Ash - 0. 3 to 0. 8% g) Total solids (Brick) - 12 to 23 % PLANT LAYOUT: There is sufficient area in the cane yard for unloading. Boilers are in straight line with mill house and preparatory devices. Power turbine is between mill and boilers. Juice weighing scale is located at the mill from where it is easy to know the quantity of juice entering the boiler house. DM plant is located to the boiler section. BAGGASE Baggase is the first by-product of cane sugar production.

The fibrous residual matter left out after extraction of sugar cane juice is known as baggase. It contains about 48. 50% moisture, 48. 0% fibred and 2. 40% sugar and other minor constituents. It has been mainly used as fuel in boiler to raise steam. Nowadays it can be used for paper production. FILTER CAKE It is obtained from the cane juice, which is used as manure. In the

process of clarification, the hot limed juice is delivered to large settling tanks. Horizontal compartments or tragus enable mud to slow down, and each having over flow take off clarified juice. The mud's separating in the settling tanks is pumped to rotary filters.

Here they are filtered under vacuum using some Powdered bagasse (bagacillo) as a filter aid. The PH of the mud to be filtered will be around 7.5. the temperature of sludge is maintained around 60 C to enable effective filtration. The cake is continuously washed on the filter and some sugar is recovered here. The cake is rich in protein and waxes. MOLASSES Molasses is one of the important by-products; its production depends on the total quantity of cane crushed as well as varies from region. The increases in the percentage of sucrose in molasses greatly affect the final quantity of sugar. molasses is the final effluent obtained in the preparation of sugar by repeated crystallization; it is the heavy viscous liquid from which no further sugar can be crystallized by the usual methods. WATER Commercial molasses have an average water content of 20%. The original end-products in the factory contain 12-17% water. The principal sugar present in the molasses is sucrose, glucose and fructose the later two making up the reducing sugars. The alkaline degradation of sucrose leads not only to glucose and fructose but also to psicose and other carbohydrates.

Molasses sometimes contain another non-reducing sugar namely the trisacharide ketoses. QUALITY CONTROL DEPARTMENT: By the term quality control, we mean the process of control where the management tries to confirm the quality of the product in accordance with the predetermined standards and specification. It is a systematic control of those variables that

affects the excellence ultimate products. OBJECTIVES OF QUALITY CONTROL; The following are the main objectives of quality control department: To assess the quality of the raw materials, semi-finished goods and finished products at various stages of production process.

To see whether the product confirms to the pre-Determined standard and specifications and whether it satisfies the need of the customers. To issue the stores on proper authorizations and to proper persons following correct procedure and of course, within least possible time. WORK PERFORMED BY QUALITY CONTROL UNIT: * To see that the sugar properly granulated and is in the shape of cubes. * To see if the color of that sugar is white in color and if not return then for reprocessing. * The check whether the density of sugar cube is 650 microns. * The check the sweetness level of sugar by performing various chemical experiments.

GODOWNS: Fro storing sugar and the other by-product separate godowns have been arranged by the SSCSM. The godowns have been constructed and machines such as conveyor belts have been arranged so that sacks of sugar can be easily stacked and easily counted. Sugar godowns are always kept dark and no electric lines pass near it to avoid any outbreak of fire. The temperature and humidity levels are kept at optimum levels so as to store the sugar for long period. SSCSM there are two godowns maintains. This godowns capacity for 40000 tones (god own I is 30000 tones and god own II is 10000 tones)

DUTIES OF GODOWN KEEPER: * The god own keeper is in charge of god own and he maintains all the details regarding the god own. * This work is continuous in nature. * He maintains records as to the incoming and
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outgoing stock of sugar and other by-product. SALES DEPARTMENT SALES DEPARTMENT STRUCTURE OF SALES DEPARTMENT Chief Administrative Officer Assistant Sales Manager Sales Ass Clerk Sales function is a very vital phase of the company. Actually, the major problem of today's company is not that of production but is that of sale.

With the immense competition at every step of marketing, the problem of sales has outstripped the problem of production. Sales department is one of the important departments in SSCSM. Staffing pattern of Sales Department: Sales in charge _ senior clerk - junior clerk _ At tender Sales process: Sugar: The government of gopalapuram initiates the sales process of the mill. The government grants release order to the mill according to the 10% of manufactured white sugar is sold to Government societies and controlled rate and the rest 90% is allowed to be sold in the open market.

The mill for such open market sale has appointed agent and he agent is Tamil Nadu Co-operative sugar federation Ltd. , Chennai. Rates levied by mill for sugar supplied to the government societies: Particulars| Amt,(Rs.)| Sale price (100kg.)| 1826. 54| Excise duty| 52. 00| Total | 1878. 54| Rates levied by the mill for sugar sold to the open market through agent: Particulars| Amt. (Rs.)| Sale price (100 kg.)| 2865. 00| Excise duty| 85. 00| Total | 2950. 00| By- products Apart from selling white sugar, the mill is also engaged in selling the by- products, which are sold following rates.

Sales activities regarding Molasses: Sales activities regarding Bagasse Sales activities regarding Filter- mud Sales activities regarding Molasses Molasses are the residues that are left over as concentrated cane juice is converted

into sugar seed. Molasses are oil like residues and are disposed off by the mill in the open market. Sales Department is concerned with the sale of molasses and the method it adopts in disposing them is as follows: The Sales Department, at the end of each financial year places an advertisement in the newspapers inviting tenders from the interested and eligible persons and corporations.

The last date for receiving tenders is fixed in the tenders and at the lapse of time, the tenders received till date are compared and the company quoting the highest rate is selected. The molasses are supplied to this company at the throughout the year. Normally, breweries and manufactures of alcohol are the purchasers of molasses and they supplied at the following rates:

Particulars	Amt. (Rs.)
Sale price (100 kg.)	1200. 00
Excise duty	50. 00
Total	1250. 00

Sales activities regarding Bagesse:

Bagesse is the woody residue that is leftover as the juice from the cane is fully extracted. The Bagesse so extracted is largely used for generating power for the mill use. The sales Department dispose of the remaining Bagesse in the same manner as molasses. Tenders are invited alongside with molasses and are floated in the open market. Just like the sales process of molasses, the quotations is selected are successful contenders supplied Bagasse throughout the year. Normally, paper mills are the purchasers of Bagasse and the same is disposed off in the following rates

Particulars	Amt. Rs.)
Sale price (100 kg.)	600. 00
Excise duty	50. 00
Total	650. 00

Sales activities regarding Filter-mud Filter mud separated from centrifugal. This mud is used for agricultural purposes.

Particulars	Amt. 9Rs.)
Sale price (100 kg.)	23. 00
Excise duty	0. 00
Total	23. 00

Further, the Sales

Department is in charge of disposing off scrapped machineries and tools which are sold at auction. Book maintained by Sales Department: * Sales Day Book * Sales Returns Book Sales Day Book: The mill in the sales day records all sales transaction.

This register contains the details of the sales made by the mill. Sales Returns Book: This register contains the details of the sales returns made by the due to defective quality of material or damaged goods FINANCE DEPARTMENT FINANCE DEPARTMENT accounting is an ancient art, which was followed mainly to record transactions of the business to satisfy the requirements imposed by the fiduciary relationship between the business such as creditors, financial institution, etc. it is the skeleton part of every organization without which an organization is difficult to survive.

However, the modern accounting is much more development and scientific where they use accounting principles for taking decisions and plans accordingly Duties of Accountants: * To control the activities of accounts department and ensure its smooth functioning. * To take responsibility of maintenance of accounts. * To fix the norms of expenditure and instruct the sub-ordinates to comply with them. * To prepare annual accounts and publish them. * To supply financial information to the concerned persons. Functions of Accounts Department: * Maintaining cashbook and bankbook. * Preparing debit and credit notes. Posting journals to ledger books. * Maintaining general ledger book. * Preparing the Trial Balance, profit and loss account and Balance sheet. Books maintained by the Accounts Department: Subsidiary books: Subsidiary books are prepared to record day to activities of the mail. The subsidiary books include purchase books, sales

books, purchase returns book, sales returns book, etc General Ledger: Journal entries are posted to the General Ledger books and in the SSCSM, the General Ledger books may be classified as follows: Capital ledger books: * Capital ledger book is a composite of the following books: * Share capital book. General reserve book. * Sundry creditors. * Sundry debtors. * Fixed asset. Purchase ledger. Expense and other incomes ledger. Vouchers: Vouchers are the documentary evidence in support of the transactions in the books of accounts. Vouchers are receipt or document showing the payment of money. Accounts Departments of SSCSM prepares: 1) Cash vouchers. 2) Bank vouchers. Cash vouchers: Cash vouchers are prepared for all the transactions involving the cash payment upto Rs. 500. Bank vouchers: Bank vouchers are documents made either through bank or for directly for the supporting of the mill.

Journals: Journals are the prime entries of transactions which help in the preparation of ledger accounts. In SSCSM, the journals book is a loose-left book and entries are entered in a paper and then filed. These entries are recorded whenever transactions occur. Depreciation Schedule: The SSCSM follows written down method of computing depreciation and recorded separately. Debit Note: If a part of the consignment is returned for certain reasons or the invoice is found to have been wrongly overcharged, a debit note is prepared and sent to the supplier.

Credit note: If the invoice is understated as to the amount, a credit note is sent to the supplier effecting adjustment in accounts. Bank reconciliation statement: Sometimes it happens that passbook does not agree with the cashbook maintained by the accounts department. To overcome this

difference, a bank reconciliation statement is prepared by the account department. I. Trial balance Trial balance is the summarized statement showing the debit and credit balance of the ledger account and states the accuracy of the accounting process by balancing both sides.

II. Trading and profit & loss account: Trading and profit & loss is a statement showing the expenses and incomes relating to the production and administration activities of the mill. III. Balance sheet: Financial position of the mill is ascertained in the balance sheet which is a composite of assets and liabilities. PERSONNEL DEPARTMENT: Personnel department is the most important department in any organization, which deals with most important factor that factor. This department is primarily concerned with human relationship with the company.

The personnel function is concerned procurement, development, compensation, , maintenance, records, research and audit of the personnel of an organization for the contributing towards the accomplishment of the organization's major goals or objectives of the organizations. HUMAN RESOURCE DEPARTMENT HUMAN RESOURCES DEPARTMENT INTRODUCTION: Department is the most important wing in the organization, planning, developing and co-coordinating the human resource committees department. HR is working under the direct control of the factory manger.

The HR department is one of the important departments, which looks the whole department in the organization. The hr department in SSCSM is full control over the safety, welfare, security, administration in the organization.

HUMAN RESOURCE DEVELOPMENT: * To determine in company promotion. * To develop the full potential of employees and the departments. * To

facilities selection and appointment. * To help the management for developing and training programs. * To help to identify the worthy people. * To support wage and salary administration. FUNCTION OF HRD: The main function of this department is to control allocate and co-ordinate the employees. Recruitment of staff, workers, etc. , in co-ordination with the department heads. Maintains of proper personnel records and files for staffs and follow up of the matters concerned with the increments, promotion, allowances, leave etc. * To maintain proper liaison with the accounts department regarding payment of wages etc. , by giving proper information regarding increase of wages and other claims etc. Working hours are strictly maintained by way of punching system with fully computerized mechanism.

ADMINISTRATIVE SETUP OF HRD:

The Human Resource Department in SSCSM works very effectively to obtain the objectives of the company, in a sugar factory, Human force is the main machine used to produce the sugar, therefore maintaining good relationship among the person is essential, this is possible and effective through the proper functioning of Human Resource Department. SPECIAL OFFICER DEPUTY MANAGER STAFF TIME OFFICE RECRUITMENT: To process of filling the various positions in an organization by selecting suitable and qualified person are called as recruitment, In Subramanian Siva co-operative sugar mills ltd recruitment is done in two ways.

Application are called for through advertisement in newspapers, The details of the position, scale of pay, qualification needed, experience required and other details are also published, Subramanian Siva co-operative sugar mills ltd is followed the principle Hire Ship employment, through the voluntary

retirement scheme (VRS) any employee can get retirement and provide an opportunity for his son or son-in-law to get a job in the organization.

SELECTION: The selection interview is the formalities arranged to select highly intellectual genetic and creative staff to the company, the skills are tested appointment.

After receiving the application from candidates for the vacancies, they will be called for selection, they selection is two types. **WORKING HOURS:** Subramanian Siva co-operative sugar mills Ltd works continuously for 7 days in a week and are rightly supported by the employees, the time schedule is strictly followed and maintained, The employees can take 5 minutes as late, salary will be reduced according to the standing order, Monthly one hour permission is allowed by the company. **PAYMENT OF WAGES:** As per payment of wages act 1936. personnel department is sole responsible for the payment of wages.

Every month of 1st day the employees are allowed to get wages. There is no delay in payment. Following are the deductions made from wages. * Recovery of loan * Loss of pay for absent * Standard deduction * Co-operative society bill * Insurance **CONTRACT LABOURERS:** * Security * Sugar loading * Sugar unloading * Stores materials loading and unloading * Civil works * Garden maintenance There are 3 Shift timing is as follows; 1st Shift - 6am to 2pm - 278workers 2nd Shift - 2pm to 10pm - 262workers 3rd Shift - 10pm to 6am - 250workers **GENERAL SHIFT:**

Workers - 8. 30am to 5. 00pm Staff - 9. 00am to 5. 00pm Lunch Time - 1. 00pm to 1. 30pm General shift is engaged with 196 employees, totally there are 380 employees including officers. Manufacturing - 101workers and <https://assignbuster.com/co-operative-sugar-mills-limited-salem/>

officials Engineering - 147workers and officials Cane - 74workers and officials Administration - 58workers and officials The company strictly follows the attendance for the employees. The exemption and permission are granted only for 5 minutes.

After the time lag of 5minutes, the employee is marked as ' Late'. If the employee is late by 10minutes of his shift time the employee is concerned as ' Absent'. In SSCSM, computers are used to maintain the attendance of the employee. Each employee is allotted with a card namely " Punched card". On the arrival, the employee inserts the card into the card-reader of the computer. The computer registered his name and marked the attendance automatically into its memory. The person in the time office checks this entry and everyone is having a " code word".

TYPES OF THE WORKERS: *

- Permanent workers-187
- * Seasonal worker-170employees
- Non-seasonal worker/regular workers-102employees
- * Trainees-2
- * Government Apprentices-1
- * Casual workers-10

LEAVE: *

- Routine leave
- * Sick leave
- * Privilege leave
- * Casual leave
- * Holidays
- * Gratuity

Routine leave: Seventh day of every week is provided as routine leave for all the staff and is considered as a holiday. Sick leave: The sick leave is allowed for 7 days to the workers during their sick periods. But 30 days credit is allowed for each employee and they should submit a doctor's certificate. Privilege leave: Those workers who have worked for more than one year are eligible to enjoy the privilege leave.

Staffs and workers are eligible for 19 days. The workers can keep upto 30 days as credit and staffs upto 42 days as credit in their account and any leave more than 42 days is considered as absent. The workers have to work

20 days to reduce one day in his privilege leave account. Casual leave: Each worker is allowed 10 days as casual leave without any consideration. Holidays: Subramanian Siva co-operative sugar mills ltd allowed holidays for 9days, which includes 4 national holidays. Any employee is working on these days is eligible to get double wages. EMPLOYEES PROVIDENT FUND: All employees are eligible for provident fund contribution. 2% employee's contribution and 12% employer's contribution. After completion of 7years the employees can apply for loan. Ex: Medical expenses, children's marriage, construction of house etc. The following forms are used in SSCSM: Form 2 - nomination Form 12 notify net balance Form 3A yearly account Form 10C scheme certificate Form 10D pension Form 13 TRANSFER OF PF/EPF A/C Form 19 claiming of PF PENSION: Pension fund was introduced since 1995.

The employees are allowed to get 8.33% as pension. The employees are eligible for pension, if he is service after the age of 58 of workmen compensation Act. This fund is called employees deposits. Linked insurance (EDLI), after is allowed up to maximum Rs. 62,500 at the time of his death. BONUS: Bonus is given to all employees according to the provisions of payment of bonus Act. The company provides 20.7% as bonus SAFETY: The management takes various steps to ensure safety for the employees. All the regulations as per the factories Act, the welfare for the employees are strictly followed. MEDICAL FACILITIES:

The employees are provided with the free medical service in the factory. There is a doctor's available in the campus for 3 hours in a day and a staff nurse for all 24 hours. UNIFORMS: The workers are provided with sales of new uniforms every year. The color of the uniforms employees. The company

also provides shoes, gloves and jackets to specific workers in the plant.

CANTEEN: Canteen is run by the management. It provides food and tea at a subsidized rate. The company provides tea without cost. It is supplied on the spot in morning and evening at 11'o clock respectively. The company provides tea and biscuits to the workers who in night shift.

COMMUNICAION: The communication procedure followed is very efficient. The message is conveyed with the help of circulars and notices to the employees and the oral communication system is followed. Intercom facilities are available for works. Public telephone is provided for the workers can be used by paying for the same. **CIVIL SECTION:** The civil section department concentrates on all civil works which is necessary both inside and outside the factory. It maintains the following things. * Drivers' rest room * Cane growers rest room * Water supply * Quarters * Employers rest room and * Road maintenance **PROBLEMS AND ISSUES**

Problems and issues Internship training is one of the important part in MBA, internship training gives lot of benefits to the students; they are getting the practical knowledge in all aspects. While studying theoretically they don't know the actual accurate meaning of a topic, but internship training giving that. At the same time some problems also happened during the internship training, most of the industries don't allow the students for the internship training, because they don't like to publish their company matters in to the external factors and also they don't like to disturb their employees work.

There are several problems during the internship training that are classified in to: Problem faced by student I met a lot of problems during the internship training program; the company didn't allow me for do my training. After five

days from the starting stage only got permission that too by the recommendation. They told me a lot of instructions at first i. e, they don't to give the exact financial information and they didn't allow to take a photos of the machinery they gave me the booklet of the machinery, from which I got some ideas about production process.

I was permitted 3 days a week for visiting the machinery that too in the early morning or in the after noon section. Because that time only the machinery in the shutdown stage During the working progress they don't allow me inside the production plant, they feel that it is not safe for me, but if they have allowed me it will be little bit helpful for me to understand the production rather than now. Inside the production plant there are large number of glass powder dusts in the floors and walls, which made some defects in my skin. problem faced by the Organization: Last year all the employees strike at four times. For the reason of they want to salary for their qualification and their level based. * Government announced your requested is going on but till now this problem not solved. FINDING AND SUGGESTION FINDING AND SUGGESTION This Coop. Sugar Mills records shows that gradual improvements and depressions continued successively. Because of some factors like government policies in setting minimum support price for sugarcane, levy for sugar trade, less quality sugarcane, monsoonfailureand other factors.

In financial aspect, level of debt is high when compared to their equity's position. So, this is riskier for this sugar mill. My suggestion for this sugar mill is try to get stimulus package from Government. This Government undertaking co-operative sugar mill's main objective is to provide service not

for profit. So in this type of situation, this mill must require some financial help from our Government to continue this type of services. Also by implementing Co-Generation, Distillery and Ethanol Projects, the Mill relieve from the clutches of financial burden and survive in the coming years.

The production machinery is all has heavy damage so its need for change new one its will be increase the output level and produce more quality product. A government takes the action means easily solve problem and avoid stick getting higher production. The standard norm for the current ratio is 2: 1. from the study it is inferred that the current ratio of the firm is almost satisfying the standard norm and from the financial position itself we can find that the company's financial position is sufficient.

From the study it is inferred that the quick ratio of the company is fluctuating over the years The study period which is also showing a fluctuating trend, decline in the cash ratio is because of payment of credit and unavailability of cash in hand. The inventory turnover ratio is indicates favorable over the year The debtors turnover ratio increasing and decreasing the every years The fixed assets of the company from 2006-2007 to 2010-2011 is fluctuating. The FATR ratio is also indicating a fluctuating tendency.

In an decreasing trend of fixed assets. The forecasted value of working capital shows increasing value of a deficiency of working capital. Due to increase in sale The forecasted value of sales shows an increasing trend. The forecasted value of profit shows an increasing trend. The forecasted value of current asset shows an increasing trend. SUGGESTIONS Current year net profit ratio better than 2007-2008 because of positive results The current

ratio in 2007-2008 Cash ratio increase the every year, so able to spend the office expenses.

Inventory holding period increase the current year. The debtors of the company is increasing over the years, company should adopt a competent credit policy to attract the customers. Increasing debtors is a solution to overcome the liquidity problem. The amount of working capital of the company is increasing the last four years. So the company should increase the current assets by increasing its cash and bank balance. The company can reduce the cost of production and try to improve its profitability.

CONCLUSION CONCLUSION OF THE TRAINING:

The co-operative sugar mills Ltd is a government undertaken mill functioning under the control of administrator and other officers. From the viewpoint of office management, the mill is following standard systems and procedures and with qualified and experienced staff, is functioning satisfactorily. The mill plays a vital role in uplifting the economy of the rural areas and provides employment opportunities in employing persons in cane fields and in the factory as well. It contributes substantially to the total sugar production and its endeavor to manufacture exportable quality of sugar is noteworthy effort.

Thus, the Siva Subramanian co-operative sugar mills Ltd is a boon to the developing economy mohanur and places of Tamilnadu as well. So the company can go in the same direction and take necessary steps to improve the sale. It is high time for co-operative sugar mills to formulate certain policies to keep a well monitored its sale in the competitive market for better profitability, reliability, consistency. If all the policies will adopt by a company

in a proper way and to utilize the resources effectively then it will sure that the company will reach its high profit.