

A Study on Growth and Productivity of Indian Sugar Companies

Dr. A. Alexander¹

Abstract

Sugar production in India has been cyclic in nature. An estimated 75 per cent of the population depends on the sector either directly or indirectly. Sugar industry is also expected to develop further, thereby offering more employment opportunities to a number of semi-skilled and skilled workers in the rural areas of the country thereby contributing towards their development. The sugar industry also supports diversified ancillary activities and skills that support the local economy. The dependent population creates substantial demand for local goods and services. There are broad areas of public intervention that regulate the sugar market in India. First, both the Central and the State Governments set a price support for sugar cane. Next is by restrictions on sugar quantities to be sold in the market also impose on the sugar factories a so-called sugar levy, by which they are required to sell at below market price to the public distribution centers. There are 34 companies were included for this study among 119 universal companies. The data were appropriately tabulated and classified to analyze the tools like Annual compound growth rate, trend analysis by method of least squares. The productivity ratios and the production function were computed by Solow model. Multiple Regression analysis was used to ascertain its impact on variables and they were tested by 5% level of significance. The analysis reveals that the relationship between Raw Materials and other independent variables i.e. the Capital, Labour and Sales has contributed 99 percent on dependent variable of the companies which started after green revolution period. The growth of the northern region has positive growth in terms of output, capital employed and also there is better rainfall and irrigation in this region than that of the southern region. The trend line moves towards maximum in BHL companies. The average growth of sugar industry was slower in the southern region than that of northern region due to poor irrigation and rainfall. There is a need for improving the productivity and it can be done by improving the quality of labour compensation such as providing reward to their workers

Key Words: *Sugar production, sugar industry, Sugar growth, Green revolution, Production Function.*

¹Assistant professor, postgraduate department, St Philominas College, Mysore