The Indian sugar industry as green industry its future determines the livelihood of millions of farmers. The growth of these companies plays a prominent role in the economic development of the nation. The growth of an industry is based on its success and productivity. It is the primary test of the success of an industry. The consumers and the government are directly or indirectly involved in this industry. If the productivity is more, there will be the technological innovations and the economic will be growth high. The productivity and efficiency mainly depend upon the age and region of the industry.

INTRODUCTION
Sugar Industry is the second largest agro based industry in India, next to textile. This is the only industry, located in the rural part of the country. About five crores of sugarcane farmers, their dependants and a large mass of labourers are involved in sugarcane cultivation, harvesting and other related ancillary activities. This constitutes 7.5 per cent of the rural population. Besides, over a five lakhs of skilled and semi-skilled workers, mostly from the rural areas, are employed in the sugar industry, and the annual wage bill of the industry is around `1,000 crores, per year. Presently, Indian sugar industry contributes 15 per cent of the world sugar production. Though, there are more than 700 sugar mills in different stages of installation, almost 450 mills alone are in operation. The annual turnover of the industry goes to `30,000 crores, and cane growers, use to get `6,000 crores, as sugarcane price.

IMPORTANCE OF THE STUDY
Sugar industry, being an agro based industry, boosters the rural development, by providing employment opportunities, directly and indirectly. Millions of people get benefitted, by this industry. The first and foremost factor to be considered is the 'cost'. Each and every cost in sugar production should be analyzed, and the necessary steps are to be taken, to reduce the cost. There should be a keen watching, whether each and every rupee spent gives the maximum utilization.

STATEMENT OF THE PROBLEM
Cost reduction is the essential part of the sugar industry so it's real and reduction in unit cost is utmost important. Cost efficiencies which is the key to survival and growth in present and future global cutthroat competition a rational approach for continues cost reduction programme to keep cost structure to the lowest possible level. In long run cost efficient organization has best chances for survival and growth and it is continues phenomena.

OBJECTIVES OF THE STUDY
The objectives of the present study are:

To study the costing structure of sugar industry in Gulbarga district.
To offer suitable suggestions on the basis of the findings through the study.

HYPOTHESES
The researcher has framed the following hypotheses and tested in the study.

To study the costing structure of sugar industry in Gulbarga district.
To offer suitable suggestions on the basis of the findings through the study.

PERIOD OF STUDY
The sugar industry is cyclical in its nature, which is normally of four to five years i.e. two years of bumper sugarcane crop, followed by two years as shortage of sugarcane - due to drought or of market position, and one year is a normal. Naturally, this cycle affects the cost effectiveness and the economy of the sugar industry. Therefore, the researcher has decided, to cover a period of two cycles i.e. five 2004-2005-2008-09. It has been considered as an appropriate period, for the analysis of cost.

METHODOLOGY
In this study, the research work is based, mainly on primary, as well as, secondary sources of information. As a part of primary source, collected through structured questionnaire from farmers the researcher has visited personally, to some of the sample respondents and sugar industry. The interviews with the officials and executives were organized, to understand the financial and technical problems of the sugar industry.

Secondary Source
In the absence of cost accounting systems in the sugar industry, the researcher had to rely more on the data, which are available, through financial accounting system. Therefore, the researcher took rounds to both of the sample sugar industry and collected the published annual reports.

For their researcher collected the secondary data through books journals website etc.
Sample Design
selected for the study. For the study and observation of socio-economic position of the farmers will be studied on the basis of primary data.

Primary data
Two sugar industries in Gulbarga district has been studied thoroughly.

Framework of Analysis
The study is based on the primary as well as the secondary data, for analytical purpose, only the secondary data are considered. Data analysis is made by employing statistical tools, such as mean, standard deviation, co-efficient of variation, correlation, simple and multiple linear regressions, AGR, CAGR, t-test and ANOVA. Trend analysis has also been applied by the researcher, wherever necessary

FINDINGS OF THE STUDY

Raw Material Cost
The average raw material cost per tonne of sugar for the Bhusnoor Sugar Factory is `15900 per year, whereas, in the case of the Renuka sugar factory is `13900. Except in the years 2005-2006 and 2006-2007 in all the remaining years of the study, the cost of the raw materials for the Bhusnoor sugar factory is much higher than the renuka sugar factory. In the Bhusnoor Sugar Factory , an average of 70.64 per cent is spent for raw materials and in the Renuka sugar factory , the average is 64.41per cent.

Employee Cost
The average employee cost per tonne of sugar in case of the Bhusnoor Sugar Factory is `11300 and in the Renuka sugar factory is `12000. Throughout the study period, the average employee cost is more in the Bhusnoor Sugar Factory, as compared to the Renuka sugar factory. The study reveals, that the Bhusnoor Sugar Factory try to bring down the employee cost. The average percentage of share of the employee cost to the total cost is 5.400 in the Bhusnoor Sugar Factory, whereas, it is 7500 in the Renuka sugar factory.

Selling and Administrative Overheads
The average selling and Administrative expenses per tonne of sugar for the Bhusnoor Sugar Factory is `1500 per year, whereas, in the case of the Renuka sugar factory is `1100. The average selling and Administrative expenses during the study period are high in the Bhusnoor Sugar Factory and low in the Renuka sugar factory.

Overheads
The average overheads per tonne of sugar for the Bhusnoor Sugar Factory is `5200 per year, whereas, in the case of the Renuka sugar factory is `4993.10. Except the years 2004-2005, 2005-2006 and 2006-2007, in all the years during the study period, the cost of overheads is higher in the Bhusnoor Sugar Factory. The average per cent of overheads to the total cost is 23.04 in the Bhusnoor sugar factory, and 24.96 in the Renuka sugar factory.

Manufacturing Cost
The average manufacturing cost of sugar per tonne of sugar in the Bhusnoor Sugar Factory is `12074.99 and in the Renuka sugar factory, it is `216017.39. Except in the year 2005-2006 in all the years during the study period, the average manufacturing cost is higher in the Bhusnoor Sugar Factory than in the Renuka sugar factory. The average per cent of share of manufactur-
duction costs and mounting losses.

There is a considerable scope for further reduction in the cost of production of both sugarcane and sugar in India, with liberalization of controls on the sugar industry. Consolidation of land holdings and corporate farming on the raw material side and expansion of capacity on the unit size are important developments, and would lead to substantial improvements in productivity, thereby rendering India a cost-effective producer of sugar, in the world.

REFERENCE