
CHAPTER - V

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ANALYSIS AND INTERPRETATION OF DATA

For a sugar factory by-production assumes a lot of significance from the point of view of cost reduction of the main product and increasing the rate given to the cane sugar farmers. Rajarambapu Sahakari Sakhar Karkhana Ltd., Rajaramnagar, Sakharale is also paying attention to this activity. For use of molasses it has set up a distillery. Liquor division, Methane Gas and compost division. In this chapter an attempt is made to evaluate the performance of these departments of RSSKL.

1. Distillery

The distillery unit was established in the year 1975. Table 4.1 gives the details about production capacity of the distillery and the stages of expansion.

Table 4.1
Production Capacity of The Distillery

Year	Installation capacity
1975	15000 Liters/per day
1982	30000 Liters./per day
1985	75000 Liters/per day
	10000 Liters./per day (Extra neutral Alcohol)

Source : Compiled from the factory records.

The distillery was started in the year with a daily production capacity of 15000 Liters. In 1982 the capacity was expanded to 30000 liters/per day. The second phase of expansion took place in 1985 when the capacity was increased to 75000 liters/per day. For extra neutral alcohol production capacity of 1000 liters per day was also installed in the same year.

The distillery produces spirit by using the molasses. Table 4.2 shows the use of molasses and production of spirit for the period from 1995-96 to 1999-2000.

Table 4.2
Use of Molasses and production of spirit from 1995-96 to 1999-2000

Year	Molasses used (MT)	Spirit produced (Liters)	Rate of Recovery
1995-96	47804	11522968	241.05
1996-97	52383	13835062	264.12
1997-98	39920	10126875	253.68
1998-99	52971	14137475	266.85
1999-2000	59253	15662724	264.24

In 1995-96, 11522568 liters rectified spirit was produced by using 47804 metric tonne of molasses and the recovery rate was 241.05 liters per tonne of molasses. In 1999-2000 15262724 liters of rectified spirit were produced by using 59253 metric tonnes of molasses and the recovery rate increase to 264.34 liters. The recovery rate still needs to be increased.

Consumption of Rectified Spirit

The rectified spirit produced in the distillery is used mainly for the production of country liquor and Indian made foreign liquor. Table 4.3 shows the details of consumption of spirit and production on liquor for the period from 1995-96 to 1999-2000.

Table 4.3
Consumption of Spirit and Production of Liquor
from 1995-96 to 1999-2000

Year	Consumption of spirit (liters)	Production of country liquors (liters)	IMFL
1995-96	2020500	1293067	3260634
1996-97	2193000	2035368	2882516
1997-98	2421800	2426663	3092354
1998-99	2442000	2456742	3083194
1999-2000	2952200	2378548	4631225

In 1995-96, 2020500 liters of rectified spirit were used to produce 1293067 liters of country liquor and 3260634 liters of Indian made foreign liquor. Whereas in 1999-2000, 29522000 liters of rectified spirit were used to produce 2378548 liters of country liquor and 4631225 liters of Indian made foreign liquor. The production of liquor both country liquor and IMFL has increase over the last 5 years.

Sales of Alcohol

Besides meeting its own requirements, the RSSKL sells the alcohol in the market. It is sold to different chemical factories in the private sector. There are 31 main customers for alcohol. Hindustan

Leer, Mumbai Laxmi Organic Industries, Mahad, Indian Organic Chemicals, Khopoli, S. M. Dychem, Pune, are prominent among the customers of alcohol of the factory. Table 4.4 shows the figures of sales of alcohol for the period from 1995 to 2000.

Table 4.5
Sales of Alcohol from 1995-96 to 1999-2000

Year	Quantity (liters)	Amount (Rs.)
1995-96	1975073	9.94
1996-97	6216304	7.35
1997-98	3470417	11.76
1998-99	5298477	7.62
1999-2000	6916395	8.34

Thus it will be seen from Table 4.5 that the sale of rectified spirit (Alcohol) have increase from 1975073 liters in 1995-96 to 6916395 liters in 1999-2000.

Sales of Liquor

The RSSKL produced country liquor and Indian made foreign liquor. The country liquor is sold under the brand names like Royal Santra, Royal Cafe, Mumbai Santra, Maharaja Santra and Maharaja Cafe. Indian made foreign liquor is sold under the brand names like Hayward Fine Whisky, Director Special Whisky, High Command Whisky, High Life Whisky, High Life Jin, High Life Vodka, High Life Rum, Mughal Monarch Whisky, Officers Choice Whisky, Old Tavern Whisky, Old Adventure Rum, Haywards Fine Brandy, Haywards Doctor

Brandy, etc. There is a good demand for the IMFL products produced by the RSSKL Distillery. The brands of IMFL like Director Special Whisky are exported also. Table 4.5 shows the figures of sale of country liquor and IMFL for the period from 1995-96 to 1999-2000.

Table 4.5
Sale of Country Liquor and IMFL for the Period
from 1995-96 to 1999-2000

Year	Country liquor	IMFL	Total
1995-96	1.92	20.24	22.16
1996-97	3.06	17.38	20.41
1997-98	4.07	20.59	24.66
1998-99	1.46	3.60	5.06
1999-2000	1.61	5.75	736.10

The sale of liquor has increased from Rs. 22.16 lakh in 1995-96 to Rs. 736.10 lakhs in 1999-2000, as seen from Table 4.5.

Revenue to the Government

The country liquor and IMFL division have paid substantial revenue to the government in the form of Excise Duty as shown in Table 4.6

Table 4.6
Revenue from Liquor Division to the Government from
1996-97 to 1999-2000

(Rs. in crores)

Year	IMFL	Country liquor	Total
1996-97	8.36	7.42	15.78
1997-98	11.39	9.09	20.48
1998-99	20.25	9.20	29.49
1999-2000	45.56	8.87	54.43

The revenue paid to the Government has increased from Rs. 15.78 crores in 1996-97 to Rs. 54.43 crores in 1999-2000. The contribution of IMFL has increased from Rs. 8.36 crores to Rs. 45.56 crores during the same period, whereas the contribution of country liquor has increased from Rs. 7.42 crores to Rs. 8.87 crores during the same period. Thus it will be seen that the liquor division is due to major contribution to the exchanger.

Profit of Distillery Division

The figures of profit of distillery division are shown in Table 4.8. for this table it will be seen that distillery has contributed a profit of Rs. 7.56 crores in the total gross profit of Rs. 162.56 crores of the factory in the year 1999-2000 nearly 5 percent. Thus the by-produced activity of Rajarampabu Sahakari Sakhar Karkhana Ltd., Rajaramnagar, Sakharale is running in profit and is of paramount importance to the factory and farmers.

Table 4.8
Profits or distillery division from 1995-96 to 1999-2000

(Rs. in crores)

Year	Distillery	Total profit	Proportion to total profit
1995-96	2.82	141.50	1.99%
1996-97	5.92	172.1	3.43%
1997-98	5.13	177.38	2.89%
1998-99	4.54	149.38	3.03%
1999-2000	7.56	162.56	4.65%

Source : Annual Reports of RSSKL

Capacity Utilisation

The capacity utilisation of distillery is shown in Table 4.9. From Table 4.9 it is seen that the distillery is not working to its fullest capacity. In 1996-97 54.50% capacity was utilised whereas in 1999-2000 52.64 percent capacity was utilised. Thus almost half of the capacity seems to have remained unutilised.

Table 4.9
Capacity Utilisation of Distillery

Year	Capacity utilised (in percent)
1996-97	54.90
1997-98	40.58
1998-99	49.00
1999-2000	52.64

Source : Annual Reports of RSSKL., Sakharale

Investment in Fixed Assets in Distillery

Out of the total fixed asset investment of Rs. 24.93 crores of the factory Rs. 3.92 crores investment is made in the fixed assets of the distillery for the year 1999-2000 15.92 percent. The investment is made in buildings, water supply schemes, machinery, waste lagoon peat, sludge peat, etc. the figures for the period from 1995-96 to 1999-2000 are given in Table 4.10.

Table 4.10

Investment in Fixed Assets in Distillery from 1995-96 to 1999-2000

Year	Amount (Rs. in crores)	Total investment in Fixed Assets of Factory
1995-96	5.30	25.77
1996-97	4.78	24.80
1997-98	4.25	24.51
1998-99	4.53	24.51
1999-2000	3.92	24.16

Reserves of Distillery

Table 4.11 shows the reserves built up by the distillery during the period from 1995-96 to 1999-2000.

Table 4.11

Reserves of Distillery

Year	Amount (Rs. in crores)
1995-96	6.55
1996-97	7.36
1997-98	8.10
1998-99	13.99
1999-2000	13.26

Source: Annual Repots of RSSKL, Sakharale