
CHAPTER - VI

Over the period of last 5 years the distillery has doubled up its reserves from Rs. 6.55 crores in 1995-96 to Rs. 13.26 crores in 1999-2000. This indicates sound financial position of the distillery. The reserves consist mainly of free reserves, depreciation reserves, spirit storage fund, effluent treatment fund, modernisation fund, etc.

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CONCLUSIONS AND SUGGESTIONS

Rajarambapu Patil Sahakari Sakhar Karkhana Ltd. is one of the leading co-operative sugar factories in Maharashtra. Established in 1968. the factory has made a spectacular progress in terms of sugar production, recovery rate of sugar. It has started distillery to utilise the molasses and augment the financial position by undertaking by-product activity. The conclusions and suggestions of this research work have been presented in this chapter as below.

CONCLUSIONS

GENERAL

1. The Rajarambapu Patil Sahakari Sakhar Karkhana Ltd. is running in good condition because of its efficient management. The factory has collected the share capital of Rs. 2.60 crores and built by reasons to extend to Rs. 55.52 crores. These figures speak of the sound financial management practices of the factory.
2. the factory has extended its benefits to 12346 members from categories A and B and 15626 nominee members from category from category C. the area of operation of the factory is spread over 102 village in Walava taluka and 9 villages in Palus taluka of Sangli district.

3. The factory has secured a number of awards for its efficient operation in the year 1999-2000 like the 'Best Sugar Factory in the State', second Prize in South zone for Best Technical Efficiency, Best Cane Development Award for South Zone, Best Financial Management Award for South Zone and the Best Chief Engineer Award.
4. the factory has also been certified with ISO 9002 the International Quality Certification in 1999-2000.

By-Products

1. Spirit and liquor are the main bye-products produced by the RPSSKL.
2. The factory makes compost fertiliser which is distributed to the farmers on no profit no loss basis.
3. The factory produces two categories of liquor viz. Country liquor and Indian made foreign liquor. Both categories of liquor have good demand in the market. Indian made foreign liquor is marketed under the brand name 'Haywards' which is one of the popular brands in liquor industry. It is exported also.
4. The distillery functions only to the half extent of the installed capacity.
5. the rate of recovery of spirit per tonne of molasses is below 3000 liters.

6. the financial position of distillery is sound. It has built up reserves to the extent of Rs. 13.26 crores. The total fixed asset investment of distillery is Rs. 15.72 crores.
7. The distillery contributes nearly Rs. 7.56 crores every year by way of net profit of the factory.

SUGGESTIONS

1. In order to improve the effectiveness and efficiency of distillery there is need to increase the capacity utilisation from percent utilisation of 50 and odd percent of the installed capacity to 75-80 percent , it not 100 percent.
2. the rate of recovery of spirit from molasses is below 300 liters per metric tonne. This should be increased above 300 liters so as to reduce the cost of production of spirit.
3. the factory has concentrated on the production of liquor from the point of view of the society the production and distribution of liquor is undesirable. The factory should therefore, explore the possibility of manufacturing other bye-products like chemicals.
4. for making best use of the bagasse the factory should stated the viability of paper plant and if found viable should go ahead in this regard.
5. another important use of bagasses could be the production of particle boards. Since these board are eco-friendly and

substitute to the traditional wood board, attention may be given to this production.

6. Indian made foreign liquor of the factory has good market. Its brand Hayward is popular brands. The factory should therefore try to exploit the favourable situation and expand its market share.
7. the distillery should be modernized new uses of spirit should be found out.

GENERAL

1. In order to sunrise the wake of the policy of privatization the co-operative sector in general and the RPSSKL in particular should adopt the intentional management practices to enhance the organisational effectiveness.
2. to improve the profitability the RPSSKL should concentrate on cost reduction and control methods. The unnecessary expenses unwanted investment should be avoided.
3. The RPSSKL should make a detailed study or the workload in the factory and the number of employees workers if required down sizing of the work force shall be made to reduce the cost on employees.

4. In the present scenario of advancement in information technology the factory should study the possibility of computerization of its administrative and other work.
5. Logistics should be improved to cut the sugarcane in time and bring it to the factory before the sugar percentage in the sugarcane is reduced. This measure will increase the rate of recovery of sugar and the cane growers will be benefited.

In the present era of globalisation and privatization, existence of the very co-operative movement has been endangered. It is therefore, the dire need of the hour to bring professionalism in the management, concentrate on profitability improvement and reassignment of business practices and undertaking the by-product activity. It is the bye-products which will in reality become the main source of income in future for the co-operation sugar factories.