

RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

3rd Floor, CoERRA (Centre of Excellence for Revenue Research & Analysis)
Bhawan, Plot no. 2, Near Aranya Bhawan, Jhalana Institutional Area, Jaipur – 302004

Extract from the minutes of 503rd meeting of Board of Directors of the Company held on 21.09.2023.

503-14.8

Formation of new Policy for Winery

The Board discussed the Agenda regarding formation of new Winery policy. The Board was apprised about the importance of wine in Alcohol Beverage at world map. It was apprised that Wine is popular product because of its fruit ingredients, less alcohol content and less consumption of water. It is also helpful to local farmers in the form of remunerative price of fruits.

In India also various States are promoting fruit Wine's manufactured from local fruits and other agriculture products. In Rajasthan following fruits are produced at large scale:-

1. Kinnu
2. Pomegranate
3. Mango
4. Orange
5. Guava
6. Black Berry(Jamun)
7. Custard Apple
8. Dates
9. Water Melon
10. Musk Melon

Besides these, Apple Wine and Grape wine may also be considered. It was apprised that 10% of the profit arising out of the aforesaid wine fruit activity may be provided for promotion of area and such fruit products.

The Board discussed the matter as apprised and decided to explore the possibility of Winery production in following two models:-

1. RSGSM own brand opportunity of Winery product can be explored for citrus and non citrus fruits at Jhotwara Distillery as well as in collaboration with private players.
2. Other Private player: - The applicant having expertise and experience in Winery product may be allowed to produce and promote their own brands at RSGSM. Winery if allowed by the Excise Department in this regard.
3. Introduction of Winery and production of fruit wine at space provided by RSGSM in distilleries like Kota, Udaipur, Jodhpur, Bikaner and Sriganganagar can be considered. In this regard Expression of interest may be invited subject to the permissibility of Excise Rules and RSGSM Policy.

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503-14.1

Royal Heritage Liqueur and Folk Liqueur.

Royal Heritage Liqueur

The Board was apprised that the Company started production of Royal Heritage Liqueur in 2006 based on old recipes of erstwhile princely states. The production of Royal Heritage Liqueurs is carried out at Royal Heritage Liqueur Distillery, Jhotwara (Jaipur), a unit of Rajasthan State Ganganagar Sugar Mills Ltd with state of art. technology and semi-automatic plant having R.O Plant for purification of water in order to have quality water for use in the production of Royal Heritage Liqueur.

The process of fermentation and distillation of the Heritage Liqueurs has also been kept similar to the process adopted by the, then Rulers/ Thikanedars, i.e copper and brass utensils were used to these liqueurs. The spices, dairy products, saffron, Sugar and herbs being used as essential ingredients for manufacturing of the Royal Heritage Liqueurs. Super-fine Extra Neutral Alcohol (ENA) is used for soaking spices in the copper utensils. Rajasthan State Ganganagar Sugar Mills is promoting the Craft and traditional culture of Rajasthan from which Royal Heritage Liqueurs were reviewed.

The Agenda was discussed and the Board after discussions accorded its approval as under:-

1. For introducing new brands of RHL, following categories of products and royalty is hereby decided :-

S.No.	Royalty (after sale)	Number of Ingredients (Herbs/Spices)
1.	Rs.1/ BL	Below 5
2.	2.5 % of EDP	5 to 50
3.	2.5 % of EDP	50 to 75 or more

2. The procurement of all ingredients and sale of RHL will be done by RSGSM.
3. Additional Royalty @25% may be given if the ingredients of any recipe are more than 75. The Director Incharge is hereby authorized to take decision in this regard.
4. In case, sale of RHL in a financial year exceeds 1000 BL. than 10% additional royalty will be given to recipe holder.
5. The additional Co-sale may also be allowed to Hotels, Heritage Hotels and other entrepreneurs who intended to sale the RHL. in new packaging or existing packaging at national or international level.
6. In case of new RHL recipe, the recipe holder as well as the entrepreneurs who intended to participate in the RHL. business may also be allowed for procurement of material at their own level considering the market price except ENA.
7. Considering the demand of Royal Heritage Liqueur from national or international level, the expression of interest may be invited from interested bidders. The entrepreneurs ensuring the minimum 10,000 BL demand will be supplied RHL from Jhotwara

Distillery. All the formalities regarding export duty, licensing, custom clearance, other State Excise duty or any other duty and clearance will be on the part of aspirant bidder/entrepreneurs.

Folk Heritage Liqueur:-

The Board was apprised about the popularity of fruit made liqueur called "Schnapps" in Germany and Nordic countries. The Company may also introduce Folk Liqueur produced from fruit products, flowers like Mahuwa, Dates, Custard Apple, Kinnu, Honey, Cane juice etc to encourage local farmers.

At present, Company is only producing Heritage liqueurs. But at national and international level, Folk Heritage Liqueur, based on fruits is also popular and in vogue. The Folk liqueur also promotes tribes of regional places and their culture and also facilitates financial and social up-gradation of those places and people.

The Board discussed the facts apprised and accorded its approval for production of Folk Heritage Liqueur with the following conditions:-

1. There will be minimum 5 ingredients in Folk Heritage Liqueur except Raj-Mahuwa.
2. 25% of the profit margin from such Folk Liqueur will be used in the development and social upliftment of people belonging to area of such Folk Liqueur.
3. The product will be launched after proper investigation and testing.
4. The labours if any required in this regard then priority will be given to people of tribes of that folk culture.

The production and sale of Folk Heritage Liqueur will be made in following two categories:-

(A) RSGSM own production:

1. RSGSM at its Jhotwara distillery plant will manufacture the Folk Heritage Liqueur.
2. The procurement of Raw material (ENA and fruits etc) and other packing material will be done by RSGSM.
3. The sale of Folk Heritage Liqueur will be done by RSGSM & RSBCL. Marketing can be done by any other interested entrepreneurs as decided by the management.
4. Folk Heritage Liqueur will be launched in IMFL category.

(B) Production of Folk Heritage Liqueur by Aspirants :-

1. The private player will also be allowed for production of Folk Heritage Liqueur at RSGSM premises on facilitation charges as decided by the management.
2. The entrepreneur can bring its raw material, packing material at his own level except ENA as decided by the management.
3. Marketing will be done by aspirants at its own level.
4. The minimum production in a lot will be 1000 BL or as decided by the Management.
5. The EDP will be decided with the minimum profit margin of RSGSM.
6. The fixed part of EDP will be given for the promotion of local agriculture producers.
7. The aspirant entrepreneurs will also be allowed for production of any other product of fruits as per permissibility of Excise Rules and decision of the Management.