



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Amendment to the earlier approved project proposal of M/s. Indian Cane Power Limited (Unit - Alagawadi Bireshwar Sugars)- reg.

Read: 1. Government Order No. CI 313 SPI 2008, dated 19.12.2008.
2. Government Order No. CI 313 SPI 2008, dated 27.08.2011.
3. Government Order No. CI 313 SPI 2008, dated 02.02.2012.
4. Government Order No. CI 192 SPI 2021, dated 14.06.2021.
5. Government Order No. CI 192 SPI 2021, dated 23.03.2023.
6. Proceedings of the 63rd State High Level Clearance Committee (SHLCC) meeting held on 08.03.2024.

Preamble:

State High Level Clearance Committee (SHLCC) in its 15th meeting held on 21.08.2008 has approved the project proposal to establish "25 MW Co-Generation Plant, 100 KLPD Distillery and 50,000 Cubic Meters Per Annum Sugarcane Bagasse Based MDF Manufacturing Unit" at Alagavadi and Alakanur Villages, Raibagh Taluk, Belagavi District with an investment of Rs.452.25 crore in 247 acres of land U/s 109 of KLR Act at various Sy. Nos. of Alagavadi and Alakanur Villages, Raibagh Taluk and accordingly Government Order read at (1) above was issued.

The subject for seeking extension of time was discussed in the 25th SHLCC meeting held on 14.07.2011 and approved. Accordingly, Government Order read at (2) above was issued granting extension of time by 1 year from 27.08.2011.

Subsequently, Government Order read at (3) above was issued approving extension of time by 2 years from 02.02.2012 and enhanced the Cane Crushing Capacity from 2500 TCD to 3500 TCD.

SLSWCC in its 124th meeting held on 27.04.2021, approved following proposals of M/s Alagawadi Bireshwar Sugars Private Limited to implement the project approved earlier vide Government Order No. CI 313 SPI 2008, dated 19.12.2008 and accordingly Government Order read at (4) above was issued.

1. Total investment of Rs. 239.83 crore.
2. Revised Capacity of sugar plant from 3500 TCD to 4500 TCD & 14.4 MW Co-generation.
3. Land requirement of 220 acres of land already purchased.

4. Electricity requirement of 2000 KVA startup power.
5. Water requirement of 4000 KLD from Krishna River back of Siddapur Village, with the approval of WRD.

Further, the subject was discussed in the 138th State Level Single Window Clearance Committee meeting held on 07.03.2023, and accorded approval for inclusion of land details and Sy. Nos. in Government Order No. CI 192 SPI 2021, dated 14.6.2021 as follows:

Land details: 220 acres out of that 195.29 acres/guntas (88+ 71+ 36) of land is already purchased & details are as follows and balance 25.29 acres to be identified and purchased.

- 88 Acres of converted land at Alagwadi Village Sy. Nos. 102/3A, 102/3B, 102/3K, 102/3D, 102/3E, 102/3F, 103/15, 103/14, 103/13, 103/12, 103/11, 103/10, 103/9, 103/8, 103/7, 103/6, 103/5, 103/4, 103/3, 103/2, 103/1, 106/1A, 106/1B, 106/1K, 107/3, 107/4, 107/5, 107/6, 107/7, 107/8, 107/9, 107/10, 108/3, 108/2, 108/4, 108/27, 108/5, 108/26, 108/4, 108/5.
- 71 Acres of converted land at Alagwadi Village Sy. Nos. 100/3, 100/4, 101/1A, 104/1, 104/2, 104/3, 104/4, 104/5, 104/6, 105/1A, 183/1, 185/1, 101/2, 101/3A, 101/3B.
- 36 Acres of land to be converted at Alagwadi & Alakanur Villages Sy. Nos. 98, 98, 101/1B, 105/1B, 184/1, 184/2, 185/4, 185/5, 185/6, 185/8.
- Balance 25.29 acres to be identified and purchased.

Accordingly Government Order vide read at (5) above was issued.

Status of Implementation:

Company vide letter No. ICPL/ABS/ADMIN/UM/2023-24 dt: 08.12.2023 informed that, their own land 206 acres 30 Guntas (NA Land 155 acres 30 Guntas) Balance 50 Acres 34 Guntas to be converted to NA and the same is in process.

Now, the Company vide letter No. ICPL/ABS/ADMIN/UM/2023-24 dt: 08.12.2023 requested for the following amendments:-

1. Change of Production Capacity of Sugar Plant from 4500 TCD to 12000 TDC, Co-gen plant capacity from 14.4 MW to 40 MW and establishment of 180 KLPD Ethanol Plant.
2. To revise the total investment to Rs.732.12 crore instead of Rs.239.83 crore.
3. Change in Company Name as M/s. Indian Cane Power Limited (Unit – Alagawadi Bireshwar Sugars) as M/s. Alagawadi Bireshwar Sugars is Merged in Indian Cane Power Limited.
4. Extension of Time for Two years from June 2023 to June 2025.
5. In addition to 220 acres of land requirement, an extent 84 Acres 30 Guntas Land to be acquired through KIADB under compulsory acquisition at various Sy.Nos. 185/2, 185/3, 185/7, 185/9, 184/3, 184/4, 184/5,

188/2, 188/1A, 188/1B/1, 188/1B/3, 188/1B/4, 188/1B/5, 188/3, 188/4, 188/5, 188/6, 188/1B/2, 188/12, 188/13, 192/1, 192/2, 192/3A, 192/3B, 177/1A, 177/1B, 177/1K, 177/4, 176/2B, 176/2A, 176/1E, 176/1F, 176/3, 176/4, 176/5, 176/1D, 176/1K, 176/1A, 176/1B, 176/6, 176/7, 176/8 & 176/9 in Alaknur Villages is proposed for implementation of expansion project.

Justification/Reasons:

Company vide letter No. ICPL/ABS/ADMIN/UM/2023-24 dated 08.12.2023 inform that their own land 206 acres 30 Guntas (NA Land 155 acres 30 Guntas) Balance 50 Acres 34 Guntas to be converted to NA and the same is in process. Further, extent 84 Acres 30 Guntas Land to be acquired through KIADB at various Sy.No. (Sy.Nos.185/2, 185/3, 185/7, 185/9, 184/3, 184/4, 184/5, 188/2, 188/1A, 188/1B/1, 188/1B/3, 188/1B/4, 188/1B/5, 188/3, 188/4, 188/5, 188/6, 188/1B/2, 188/12, 188/13, 192/1, 192/2, 192/3A, 192/3B, 177/1A, 177/1B, 177/1K, 177/4, 176/2B, 176/2A, 176/1E, 176/1F, 176/3, 176/4, 176/5, 176/1D, 176/1K, 176/1A, 176/1B, 176/6, 176/7, 176/8 & 176/9) in Alaknur Villages is proposed for implementation of expansion project. Whereas farmers are not ready to sell their land, without this land they cannot complete the expansion project. they request to make compulsory acquisition through KIADB.

Observations:

- Commissioner for Cane Development and Director of Sugar vide letter No. DSK/COF/07/2023-24, dated 23.05.2023, recommended to GoI and issued No objection for issuing IEM to M/s. Alagawadi Bireshwar Sugars Private Limited for expansion of crushing capacity from 4500 TCD to 12000 TCD and Co-generation plant from 14.4 MW to 39.60 MW.
- Ministry of Consumer Affairs, Food & Public Distribution Department of Food and PD Directorate of Sugar & Vegetable Oils vide OM No. F.25 (1975) 2002-ST-1582-1584, dated 30.8.2023, issued No objection Certificate to IEM Section, DPIIT for issue of IEM for expansion of crushing capacity from 4500 TCD to 12000 TCD and Co-generation plant from 14.4 MW to 39.60 MW.
- Company has obtained IEM from GoI on 07.07.2015.
- Company has uploaded IEM Certificate for 12000 TCD Sugar Plant.

In the 110th Land Audit Committee Meeting held on 02.02.2024, the representative of the company appeared before the Committee and requested approval for change of production capacity, revision in investment, change of company name and extension of time.

Commissioner for I.D and Director of I & C brought to the notice of the Committee regarding letter dated 2.2.2024 of Commissioner for Cane Development and Director of Sugars wherein it is informed that Hon'ble Minister for Textiles, Cane Development & Sugar and Agriculture Marketing has issued a note to defer subjects pertaining to Cane/Sugar based projects till the finalisation and issue of new government policy on sugar cane.

The Committee opined that, the Karnataka Industries (Facilitation) Act, 2002 mandates facilitation of new investments and promotion of industrial development in the State. Hence, project approval cannot be denied/deferred for long time for want of New Policy. This proposal was deferred earlier for the same reason.

The Committee noted the request of the company and after detailed discussions resolved to recommend to SHLCC for approval of the following:

1. Change of Production Capacity of Sugar Plant from 4500 TCD to 12000 TCD, Co-gen plant capacity from 14.4 MW to 40 MW and establishment of 180 KLPD Ethanol Plant.
2. To revise the total investment to Rs.732.12 crore instead of Rs.239.83 crore.
3. Change in Company Name as M/s. Indian Cane Power Limited (Unit – Alagawadi Bireshwar Sugars) as M/s. AlagawadiBireshwar Sugars is Merged in Indian Cane Power Limited.
4. Extension of Time for Two years to implement the project.
5. In addition to 220 acres of land requirement, an extent 84 Acres 30 Guntas Land to be acquired through KIADB under compulsory acquisition at various Sy. Nos. 185/2, 185/3, 185/7, 185/9, 184/3, 184/4, 184/5, 188/2, 188/1A, 188/1B/1, 188/1B/3, 188/1B/4, 188/1B/5, 188/3, 188/4, 188/5, 188/6, 188/1B/2, 188/12, 188/13, 192/1, 192/2, 192/3A, 192/3B, 177/1A, 177/1B, 177/1K, 177/4, 176/2B, 176/2A, 176/1E, 176/1F, 176/3, 176/4, 176/5, 176/1D, 176/1K, 176/1A, 176/1B, 176/6, 176/7, 176/8 & 176/9 in Alaknur Villages.

Justification to place the subject before SHLCC.

Project proposals related to establishment of Sugar Plant in the State was discussed in the 143rd SLSWCC, as detailed below :

“Commissioner for I.D and Director of I & C brought to the notice of the 143rd SLSWCC regarding letter of Commissioner for Cane Development and Director of Sugars wherein it is informed that Hon’ble Minister for Textiles, Cane Development & Sugar and Agriculture Marketing has issued a note to defer subjects pertaining to Cane/Sugar based projects till the finalisation and adoption of new government policy on sugar cane.

Further, Commissioner for I.D informed that IEM Part-A is obtained by the entrepreneur after submission of Distance Certificate and No Objection Certificate issued by Commissioner of Sugar.

Before entrepreneurs submits the application to KUM for SLSWCC/ SHLCC clearance entrepreneur has followed the procedure as below:

1. *The entrepreneur submits application to the O/o the Cane Commissioner /Director of Sugar along with the following mandatory documents:*

- *Company incorporation certificate (if registered company)*
 - *Memorandum of association and article of association*
 - *RTC copy and sale deed copy of the land (for erection of pillar – the proposed location of the project chimney for taking distance measurement by the survey of India)*
 - *Details of cane availability (village-wise details) to be certified by Joint Director of Agriculture of the concerned revenue district. (villages coming within the radius of 7.5 kms and 15 kms seperately)*
 - *District map highlighting the location of the factory.*
2. *After submission of the application by the entrepreneur, O/o the Cane Commissioner /Director of Sugar obtains the following reports from the concerned District Deputy Commissioner:*
- *Opinion about the project,*
 - *Pillar erection and Erection Sketch,*
 - *Cane availability by Joint Director of Agriculture,*
 - *Sketch showing the nearby sugar factories location*
3. *Letter to Survey of India is submitted by entrepreneur to furnish Distance Certificate enclosing the Sketch duly countersigned by Commissioner for Cane Development and Director of Sugar*
4. *After obtaining Distance Certificate from Survey of India same is forwarded to Government of India to issue IEM to the entrepreneur.*
5. *The entrepreneur shall file an application along with Distance Certificate to DPIIT, GOI for issuance of IEM.*
6. *After filing the Industrial Entrepreneur Memorandum, the entrepreneur shall submit a performance guarantee of rupees one crore to Chief Director(Sugar), Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution, within thirty days of filing the Industrial Entrepreneur Memorandum as a surety for implementation of the Industrial Entrepreneur Memorandum within the stipulated time or extended time as specified in clause 6C failing which Industrial Entrepreneur Memorandum shall stand derecognized as far as provisions of this Order are concerned.*
7. *After submission of the Bank Guarantee, the Government of India will issue acceptance Order to the entrepreneur stating that their sugar mill has been taken on record as a "New Sugar Factory"*
8. *After obtaining the acceptance Order, the entrepreneur has to make an application to Karnataka Udyog Mitra to obtain in-principle approval / clearance for their project i.e., for setting up of new sugar factory in the State.*
9. *After obtaining IEM and Acceptance Order from Government of India and in principle clearance for their project in Karnataka Udyog Mitra, the entrepreneur has to identify villages for cane area allotment and submit proposal to the office of the Cane Commissioner and Director of Sugar with details like name of the Taluk/Village, Distance between the Village and the proposed Sugar factory, map highlighting the proposed villages and nearby sugar factories.*

As per the Sugarcane (Control) Amendment Order 2006, clause 6-A, Explanation-4, the following effective steps should be taken by the entrepreneur to implement the IEM for setting up of sugar factory like:

- Purchase of required land in the name of the factory.*
- Sanction of requisite term loan from banks or financial institutions.*
- Placement of firm order for purchase of plant and machinery for the factory and payment of requisite advance or opening of irrevocable letter of credit with suppliers.*
- Commencement of Civil work and construction of building for the factory.*
- Other approvals from different Departments/Authorities like KSPCB Clearance, NOC/Licenses from Factories and Boilers Department, Labour Department, etc.*

Hence, deferring the project approval will result in halting the implementation of project and also Commissioner opined that, the Karnataka Industries (Facilitation) Act, 2002 mandates facilitation of new investments and promotion of industrial development in the State. The provisions in the said Act mandates the committee to take the decisions on the proposals and communicate the decisions to the concerned departments. Hence, project approval cannot be deferred for long time for want of New Policy and deferring the project approval defeats the very purpose of Facilitation Act.

Moreover, the proposals are being placed in SLSWCC/SHLCC which have been already recommended by sugar directorate under policy in existence and as per existing operative guidelines for issuance of IEM. Any new policy will have prospective effect and existing policy holds good till new policy comes into existence. Deferring project approvals may lead to entrepreneurs approaching court of law for remedy/ justice.

Further, Commissioner added that at present Karanataka State ranked as top achiever in EODB ranking hence deferring of project approval hinders prospects/performance of state in ease of doing business rankings.

After detailed briefing by the Commissioner for I.D, the 143rd SLSWCC Committee deliberated on the need for timely approval of projects in order to promote industrial investment in the State which inturn leads to creation of employment and generation of revenue to the State. In light of the above discussion, subject is placed before SHLCC for discussion and decision”

In the 63rd State High Level Clearance Committee (SHLCC) meeting held on 08.03.2024, the proposal of the Company was discussed and approved.

Government has examined the recommendations made by the SHLCC in its 63rd, in all aspects.

Hence the following order.

GOVERNMENT ORDER No. CI 192 SPI 2021, BENGALURU,
DATED 14.03.2024

Government is pleased to accord approval for the proposal of M/s. Indian Cane Power Limited (Unit: Alagawadi Bireshwar Sugars) for the following amendments:

1. Change of Production Capacity of Sugar Plant from 4500 TCD to 12000 TCD, Co-gen plant capacity from 14.4 MW to 40 MW and establishment of 180 KLPD Ethanol Plant.
2. To revise the total investment to Rs. 732.12 crore instead of Rs. 239.83 crore.
3. Change in Company Name as M/s. Indian Cane Power Limited (Unit: Alagawadi Bireshwar Sugars) as M/s. Alagawadi Bireshwar Sugars is Merged in Indian Cane Power Limited.
4. Extension of time for two years to implement the project
5. In addition to 220 acres of land requirement, an extent 84 Acres 30 Guntas Land to be acquired through KIADB under compulsory acquisition at various Sy. Nos. 185/2, 185/3, 185/7, 185/9, 184/3, 184/4, 184/5, 188/2, 188/1A, 188/1B/1, 188/1B/3, 188/1B/4, 188/1B/5, 188/3, 188/4, 188/5, 188/6, 188/1B/2, 188/12, 188/13, 192/1, 192/2, 192/3A, 192/3B, 177/1A, 177/1B, 177/1K, 177/4, 176/2B, 176/2A, 176/1E, 176/1F, 176/3, 176/4, 176/5, 176/1D, 176/1K, 176/1A, 176/1B, 176/6, 176/7, 176/8 & 176/9 in Alaknur Villages.

All other terms and conditions indicated in the Government Order read at (1) above, remain unaltered.

By Order and in the name of the
Governor of Karnataka,

Shilpa S.R.
14/3/24

(SHILPA S.R)

Desk Officer (Technical Cell),
Commerce & Industries Department.

To,

1. Principal Accountant General (G&SSA)& (E&RSA), Karnataka, New Building, 'Audit Bhawan', Post Box No. 5398, Bengaluru.

2. Principal Accountant General (A&E), Karnataka, Park House Road, Post Box No. 5329, Bengaluru.
3. Additional Chief Secretary to Govt., Energy Dept., Vikasa Soudha, Bengaluru.
4. Additional Chief Secretary to Govt., Urban Development Dept., Vikasa Soudha, Bengaluru.
5. Additional Chief Secretary to Govt., Water Resources Dept., Vikasa Soudha, Bengaluru.
6. Additional Chief Secretary to Govt., Forest, Ecology & Environment Dept., M.S. Building, Bengaluru.
7. Additional Chief Secretary to Govt., Finance Dept., Vidhana Soudha, Bengaluru-01.
8. Principal Secretary to Govt., Revenue Dept., M.S. Building, Bengaluru.
9. Secretary to Govt., Information Technology, Biotechnology and Science and Technology Dept., M.S. Building, Bengaluru
10. Commissioner for Industrial Development and Director of Industries and Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
11. Commissioner for Cane Development and Director of Sugar, Karnataka Housing Board Building, 5th Floor, F-Block, CBAB Complex, Cauvery Bhawan, K.G. Road, Bengaluru-09.
12. Commissioner for Commercial Taxes, Vanijya Therige Karyalaya, Gandhi Nagar, Bengaluru-09.
13. Managing Director, Hubli Electricity Supply Company Limited (HESCOM), Hubballi.
14. Member Secretary, Karnataka State Pollution Control Board, No. 49, Church Street, Parisara Bhavan, Bengaluru.
15. Chief Executive Officer & Executive Member, Karnataka Industrial Area Development Board, Khanija Bhavan, Race Course Road, Bengaluru.
16. Managing Director, Karnataka Udyog Mitra, Khanija Bhavan, Race Course Road, Bengaluru.
17. Director (Technical Cell), Commerce & Industries Dept., Vikasa Soudha, Bengaluru.
18. Deputy Secretary (Sugar), Commerce & Industries Department, Vikasa Soudha, Bengaluru
19. Additional Director (P&P), Directorate of Industries and Commerce, Khanija Bhavan Race Course Road, Bengaluru.
20. PS to Hon'ble Chief Minister, Vidhana Soudha, Bengaluru-01.
21. PS to Hon'ble Minister for Large and Medium Industries & Infrastructure Development, Vidhana Soudha, Bengaluru.
22. PS to Principal Secretary to Govt., Commerce & Industries Department, Vikasa Soudha, Bengaluru.

23.M/s. Alagawadi Bireshwar Sugars Private Limited, Uttur Village, Mudhol
Taluk, Bagalkot District, Indian Cane Power Limited, Mudhol - 587313.
24.Guard File / Spare Copies.

