



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Approval to the project proposal of M/s Indian Cane Power Limited to establish “15,000 TCD Sugar Plant With 70 MW Cogen Power Plant & 180 KLPD Distillery Plant” at Kambagi Village and Shegunshi Village of Bijapur Taluk & District.

Read: 1. Proceedings of the 110th Land Audit Committee (LAC) meeting held on 02.02.2024.
2. Proceedings of the 63rd State High Level Clearance Committee (SHLCC) meeting held on 08.03.2024.

Preamble:

M/s. Indian Cane Power Limited to establish “15,000 TCD Sugar Plant With 70 MW Cogen Power Plant & 180 KLPD Distillery Plant” with an investment of Rs. 1077.53 crore, generating employment to about 309 persons in 261 Acres of land at Various Sy No. of Kambagi Village and Shegunshi Village of Bijapur Taluk & District.

Background of the M/s. Indian Cane Power Limited:

M/s. Indian Cane Power Limited, (ICPL), registered under the Companies Act 1956 in the State of Karnataka on September 13, 2006 vide Registration Number: U15424KA2006PLC040593 and also obtained Certificate of Commencement of Business on October 12, 2006.

Company has submitted IEM acknowledgement with No: 688/N/SIA/IMO/2023 dated 02.08.2023 and distance certificate with No: CI 141 SGF 2023 dated 26.07.2023.

Brief about the Promoter:

Mr. Shamanur Mallikarjun is a Commerce Graduate from Davangere and well-travelled throughout the world, He is having excellent relations and contacts with various Industrialists, plant and equipment manufacturers, traders, businessmen and technical personnel. He has also been actively associated with the Bapuji Educational Association, Davanagere, as its Joint Secretary and was instrumental in establishment the Association’s second Medical College and Hospital. He was also elected as a Member of the Karnataka Legislative Assembly through the Indian National Congress Party and was also the Hon’ble Minister for Youth Services & Sports in the Karnataka Government. Presently serving as Cabinet Minister in the Karnataka Government.

Mr. Shamanur Shivashankarappa, was instrumental in taking over the Management of Indian Cane Power Limited, Uttur, Mudhol Taluk, Bagalkot District and setting up a Greenfield most Modern 5000 TCD Sugar Plant along with 28 MW Cogen Power Plant, he was also instrumental in setting up the then Samsons Distilleries Pvt. Ltd at Duggavathi village, in Harapanahalli Taluk, Davanagere District. This plant was set up at a cost of about Rs. Eight Crores with an initial capacity of 60 KLPD. This Plant has subsequently been expanded to handle both molasses and food grains as the Feedstock and the installed capacity to 90 KLPD. With a further expansion programme, Samsons Distilleries has already increased their Licensed Capacity to 180 KLPD

The present Board of Director of the company are mentioned below:

1. Shamanur Shivashankarappa
2. ShamanurShivashankarappa Mallikarjun
3. Arethol Sangappa Niranjan
4. Subhash Chand Pahuja
5. Prabha Mallikarjun
6. Premchand
7. Mallikarjun Samarth Shamanur

Net worth of the promoter Ms. Prabha Mallikarjun is Rs. 13.94 Cr and Sri S. S Mallikarjun is Rs. 78.61 Cr.

Project Cost and Means of Finance (Rs. in Crore)

Cost of the project		Means of Finance	
Land and Building	158.05	Promoter Equity	258.76
Plant and Machinery	679.00	Institution Equity	48.83
Working capital Margin	62.88	Term loan	717.74
Contingency	5.68	Foreign Equity	0.00
Others	171.92	Subsidy/Grant	0.00
		Others	52.20
Total	1077.53	Total	1077.53

Infrastructure support and approvals requested by the Company for the project:

Items	Particulars
Land and Location	261 acres of land at various Sy No. of Kambagi Village and

Shegunshi Village, Bijapur Taluk & District.

The break up of land details is as follows:

194.39 acres of own land at Sy No. 348/4, 344/3, 344/4, 348/1, 349/4, 369/6, 351/2, 369/1, 369/2, 357/5, 357/6, 357/8, 356/11, 356/13, 356/4A, 357/3B, 356/2A, 356/2B, 356/2K, 356/4B, 356/4K, 356/9, 357/10, 357/1, 343/2B, 343/2A, 357/4, 349/1, 350/2, 350/4, 365/2, 365/1, 376/3, 376/4, 376/2, 356/3, 374, 375, 349/3, 385/2, 350/5, 370 of Kambagi Village and Sy No 31/4 of Shegunshi Village Bijapur Taluk & District.

Compulsory acquisition of 66 Acres 01 Gunta land through KIADB at Sy. Nos. 376/1, 376/5, 376/6, 349/2A, 349/2B, 350/1, 351/1A, 351/1B, 351/3, 351/4, 368/3, 368/2, 368/1, 357/2, 357/3A, 348/2 Kambagi Village, Bijapur Taluk & District

Water	40,00,000 LPD from River Krishna through Jack Well & Underground Pipeline for 10 Km
Power	70000 KVA from HESCOM
Pollution Control Clearance:	CFE/CFO from KSPCB, GOK. E.C from MOEF, GOI / DFEE as applicable
Incentives & Concessions:	As per applicable Policy of the state
Statutory Clearances:	All necessary statutory approvals/ Clearances

Recommendation of 110th Land Audit Committee Meeting held on 02.02.2024:

The representative of the company appeared before the Committee and requested for approval of the project to establish “15,000 TCD Sugar Plant With 70 Mw Cogen Power Plant & 180 KLPD Distillery Plant” in 261 acres of land at various Sy No. of Kambagi Village and Shegunshi Village, Bijapur Taluk & District (194.39 acres of own land and Compulsory acquisition of 66 Acres 01 Gunta land through KIADB)

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 can not 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 to accord approval for the project proposal of M/s Indian Cane Power Limited to establish "15,000 TCD Sugar Plant With 70 Mw Cogen Power Plant & 180 KLPD Distillery Plant" in 261 acres of land at various Sy No. of Kambagi Village and Shegunshi Village, Bijapur Taluk & District.

The Total land 261 acres break up details are as follows:

- **194.39 acres of own land** at Sy No. 348/4, 344/3, 344/4, 348/1, 349/4, 369/6, 351/2, 369/1, 369/2, 357/5, 357/6, 357/8, 356/11, 356/13, 356/4A, 357/3B, 356/2A, 356/2B, 356/2K, 356/4B, 356/4K, 356/9, 357/10, 357/1, 343/2B, 343/2A, 357/4, 349/1, 350/2, 350/4, 365/2, 365/1, 376/3, 376/4, 376/2, 356/3, 374, 375, 349/3, 385/2, 350/5, 370 of Kambagi Village and Sy No 31/4 of Shegunshi Village Bijapur Taluk & District.
- **Compulsory acquisition of 66 Acres 01 Gunta land through KIADB** at Sy. Nos. 376/1, 376/5, 376/6, 349/2A, 349/2B, 350/1, 351/1A, 351/1B, 351/3, 351/4, 368/3, 368/2, 368/1, 357/2, 357/3A, 348/2 Kambagi Village, Bijapur Taluk & District.

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 separately)*
 - *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 hilighting 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 can not 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 existance 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 disucssion, subject is placed before SHLCC for disuccsion and decision.

The Committee noted the details of the project proposal and also discussion and decision of the 143rdSLSWCC,after detailed discussion resolved to approve the proposal of M/s. Indian Cane Power Limited.

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

Hence the following order:

GOVERNMENT ORDER No. CI 137 SPI 2024, BENGALURU,
DATE 14.03.2024

Government is pleased to accord **in-principle approval** to the investment proposal of M/s. Indian Cane Power Limited to establish “15,000 TCD Sugar Plant With 70 MW Cogen Power Plant & 180 KLPD Distillery Plant” with an investment of Rs. 1077.53 crore, generating employment to about 309 persons in 261 acres of land at Various Sy No. of Kambagi Village and Shegunshi Village of Bijapur Taluk & District with the following infrastructure assistance, incentives and concessions:

Land	261 acres of land at various Sy No. of Kambagi Village and Shegunshi Village, Bijapur Taluk & District. The breakup of land details is as follows: 194.39 acres of own land at Sy No. 348/4, 344/3, 344/4, 348/1, 349/4, 369/6, 351/2, 369/1, 369/2, 357/5, 357/6, 357/8, 356/11, 356/13, 356/4A, 357/3B, 356/2A, 356/2B, 356/2K, 356/4B, 356/4K, 356/9, 357/10, 357/1, 343/2B, 343/2A, 357/4, 349/1, 350/2, 350/4, 365/2, 365/1, 376/3, 376/4, 376/2, 356/3, 374, 375, 349/3, 385/2, 350/5, 370 of Kambagi Village and Sy No 31/4 of Shegunshi Village Bijapur Taluk & District, Compulsory acquisition of 66 Acres 01 Gunta land through KIADB at Sy. Nos. 376/1, 376/5, 376/6, 349/2A, 349/2B, 350/1, 351/1A, 351/1B, 351/3, 351/4, 368/3, 368/2, 368/1, 357/2, 357/3A, 348/2 Kambagi Village, Bijapur Taluk & District
Water	40,00,000 LPD from River Krishna through Jack Well & Underground Pipeline for 10 Km
Power	70,000 KVA from HESCOM
Incentives & Concessions	As per applicable policy of the State

Sanction of the above infrastructure assistances, incentives and concessions is subject to the following terms and conditions:

1. Acknowledgement Certificate: The project proponents may opt to furnish Combined Application Form (Form-4, Rule 8(b) along with relevant fee and self certification for issue of acknowledgment certificate under Karnataka Industries (Facilitation) (Amendment) Act, 2020.

2. Environment: The company to obtain Consent for Establishment and Consent for Operation from KSPCB and environmental clearance from MoEF, Government of India or the Dept of Forest, Ecology & Environment, Government of Karnataka, if applicable.

3. Employment: The Company shall comply with the provisions of applicable Policy of the State of Government of Karnataka with respect to local employment on the project. Prepare a plan for development of Human Resources required for the project, train local people. A copy of Human Resources Development plan shall be sent to the Commissioner for Industrial Development & Director of Industries and Commerce for monitoring.

4. Vendor Development: Wherever there is scope for vendor development for the project, the company shall prepare a vendor development plan, develop local vendors and procure the required inputs, components and sub-assemblies from these local vendor units. A copy of the vendor development plan shall be sent to the Commissioner for Industrial Development & Director of Industries and Commerce for monitoring.

5. Social Infrastructure Development: The Company is advised to take up social infrastructure development projects in the vicinity of the proposed location of the unit and comply with the stipulation of Company Act 2013. A copy of such projects shall be sent to the Commissioner for Industrial Development & Director of Industries and Commerce for monitoring.

6. Others:

- a. The company shall adopt rainwater harvesting, waste water recycling and water conservation techniques. Zero discharge facility should be adopted wherever applicable.
- b. The company shall take all statutory and other necessary clearances from the competent authorities including Government of India.
- c. As part of "Ease of Doing Business" Government vide order No. CI 89 SPI 2013, Dated 20.12.2014 has accorded approval to operationalise e-Udyami Phase II for obtaining various clearances / approvals / licenses etc. through common e-platform for the projects approved through District Level Single Window Clearance Committee (DLSWCC) or State Level Single Window Clearance Committee (SLSWCC) or State High Level Clearance Committee (SHLCC) w.e.f. 01.01.2015.

- d. The approvals / NOCs of following Departments have been covered under Phase II of e-Udyami.
 - i. Karnataka Industrial Areas Development Board.
 - ii. Karnataka Small Scale Industries Development Corporation.
 - iii. Karnataka State Pollution Control Board.
 - iv. Factories, Boilers, Industrial Safety and Health Department
 - v. Industries and Commerce Department
 - vi. Town Planning Department and Local Planning Authorities
 - vii. Municipal Administration Department
 - viii. BESCOM/GESCOM/HESCOM/CESCOM/MESCOM
 - ix. Karnataka State Fire and Emergency Services Department
 - x. Water Resources Department
- e. The login and passwords which are used for filing application through e-Udyami Phase I are also applicable for filing application through e-Udyami Phase II. E-Udyami Phase II web application may be accessed through www.ebizkarnataka.gov.in and online application along with necessary documents may please be filed for any of above Departments' approval / NOCs.
- f. Karnataka Udyog Mitra (KUM) would provide the necessary escort services for the speedy implementation of your project. You are requested to inform the progress made in the implementation of the project every quarter in the proforma.

This approval is valid for a period of **two years** from the date of issue of this Government Order.

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

Shilpa S.R.
(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 Government, Finance Department, Vidhana Soudha, Bengaluru.
4. Additional Chief Secretary to Government, Energy Department, Vikasa Soudha, Bengaluru.
5. Additional Chief Secretary to Government, Water Resource Department, Vikasa Soudha, Bengaluru.

6. Additional Chief Secretary to Government, Forest, Ecology & Environment Department, M.S. Building, Bengaluru.
7. Principal Secretary to Government, Revenue Department, M.S. Building, Bengaluru.
8. Secretary to Government, Department of IT, BT, Science and Technology, M.S. Building, Bengaluru.
9. Secretary to Government, Commerce & Industries Department (Mines, Textile & MSME), Vikasa Soudha, Bengaluru.
10. Commissioner for Industrial Development and Director of Industries and Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
11. Commissioner of Commercial Taxes, Vanijya Therige Karyalaya, Gandhi Nagar, Bengaluru-09.
12. Managing Director, Hubli Electricity Supply Company (HESCOM), Navanagar, P.B Road, Hubballi-580025.
13. Member Secretary, Karnataka State Pollution Control Board (KSPCB), 49, Church Street, Parisara Bhavan, Bengaluru.
14. Chief Executive Officer & Executive Member, Karnataka Industrial Area Development Board, Khanija Bhavan, Race Course Road, Bengaluru.
15. Director (Technical Cell), Commerce & Industries Department, Vikasa Soudha, Bengaluru.
16. Additional Director (P & P), Directorate of Industries & Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
17. Managing Director, Karnataka Udyog Mitra (KUM), Khanija Bhavan, Race Course Road, Bengaluru.
18. PS to Hon'ble Minister for Large and Medium Industries & Infrastructure Development, Vidhana Soudha, Bengaluru.
19. PS to Principal Secretary to Government, Commerce & Industries Department, Vikasa Soudha, Bengaluru.
20. M/s. Indian Cane Power Limited. _____
21. Guard File / Spare Copies.