



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Approval to the proposal of M/s. Shamanur Starch Private Limited (SSPL) to establish “Sugar Plant 6000 TCD, Co-gen Power Plant 30 MW In 1st Phase and 200 KLPD Ethanol Plant (By Cane Juice / Syrup/ Molasses)” at Sulikatti Village, Kalaghatgi Hobli & Taluk, Dharwad District.

Read: 1. Proceedings of the 110th Land Audit Committee (LAC) meeting held on 02.02.2024.
2. Proceedings of the 143rd State Level Single Window Clearance Committee (SLSWCC) meeting held on 06.02.2024.

Preamble:

M/s. Shamanur Starch Private Limited has proposed to establish “Sugar Plant 6000 TCD, Co - gen Power Plant 30 MW In 1st Phase and 200 KLPD Ethanol Plant (By Cane Juice / Syrup/ Molasses), with an investment of Rs.476.54crore, generating employment to about 300 persons at Sulikatti Village, Kalaghatgi Hobli, Kalaghatgi Taluk, Dharwad District.

In the 110th Land Audit Committee (LAC) meeting held on 02.02.2024, the representative of the company appeared before the committee and highlighted the project proposal and requested for approval of the project.

The representative of the company informed that, Shri. Shamanur Sugars Private Limited (SSPL) is a private limited company by shares, registered under the Companies Act, 1956.

Commissioner for Industrial Development and Director of Industries and Commerce brought to the notice of the Committee regarding letter dated 02.02.2024 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 SLSWCC to accord approval for the

project proposal of M/s. Shamanur Starch Private Limited to establish a unit for manufacture of "Sugar Plant 6000 TCD, Co - gen Power Plant 30 MW In 1st Phase and 200 KLPD Ethanol Plant (By Cane Juice / Syrup/ Molasses" in 61 Acre 17 Guntas of own land at Sy. No. 30/28 measuring 26 Acres, 30/23 measuring 25 acres and 43/P47 measuring 10 Acres 17 Gunta of Sulikatti Village, Kalaghatgi Hobli, Kalaghatgi Taluk, Dharwad District, subject to obtaining necessary clearances from concerned authorities.

Decision of the 143rd SLSWCC meeting:

Commissioner for Industrial Development and Director of Industries and Commerce brought to the notice of the 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 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 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 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 Karnataka 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 Committee deliberated on the need for timely approval of projects in order to promote industrial investment in the State which in turn leads to creation of employment and generation of revenue to the State. Hence, the Committee decided to approve the project.

Government has examined the recommendations made by the SLSWCC in its 143rd Meeting, in all aspects.

Hence the following order.

GOVERNMENT ORDER No. CI 106 SPI 2024, BENGALURU.
DATE 22.02.2024

Government is pleased to accord in-principle approval to the investment proposal of M/s. Shamanur Starch Private Limited (SSPL) to establish "Sugar Plant 6000 TCD, Co - gen Power Plant 30 MW In 1st Phase and 200 KLPD Ethanol Plant (By Cane Juice / Syrup/ Molasses)", with an investment of Rs. 476.54 crore, generating employment to about 300 persons at Sulikatti Village, Kalaghatgi Hobli, Kalaghatgi Taluk, Dharwad District with the following infrastructure assistances, incentives and concessions:

Land	61 Acre 17 Guntas of own land at Sy No. 30/28 measuring 26 Acres, 30/23 measuring 25 acres and 43/P47 measuring 10 Acres 17 Gunta of Sulikatti Village, Kalaghatgi Hobli, Kalaghatgi Taluk, Dharwad District, subject to obtaining necessary clearances from concerned authorities.
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Water	1800 KLD from Tattihallia Dam, subject to obtaining WRD approval / Ground Water
Power	600 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, Govt. of India or the Dept of Forest, Ecology & Environment, Govt. of Karnataka, if applicable.

3. Employment: The Company shall comply with the provisions of applicable Policy of the State of Govt. 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 Govt. 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.
22/2/24
(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 Government, Finance Department, Vidhana Soudha, Bengaluru.
4. Additional Chief Secretary to Government, Energy Department, Vikasa Soudha, Bengaluru.
5. Additional Chief Secretary to Government, Forest, Ecology & Environment Department, M.S. Building, Bengaluru.
6. Additional Chief Secretary to Government, Water Resource Department, Vikasa Soudha, Bengaluru.
7. Principal Secretary to Government, Revenue Department, M.S. Building, Bengaluru.
8. Secretary to Government, Department of Electronics, Information Technology, Bio Technology and Science & Technology, M.S. Building, Bengaluru.
9. Secretary to Government (Mines & SSI), Commerce & Industries Department, Vikasa Soudha, Bengaluru.
10. 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.
11. Commissioner for Industrial Development and Director of Industries and Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
12. Commissioner of Commercial Taxes, Vanijya Therige Karyalaya, Gandhi Nagar, Bengaluru-09.
13. Chief Executive Officer & Executive Member, Karnataka Industrial Area Development Board, Khanija Bhavan, Race Course Road, Bengaluru-01.
14. Managing Director, Hubli Electricity Supply Company Limited (HESCOM), Hubballi.
15. Member Secretary, Karnataka State Pollution Control Board (KSPCB), No. 49, Church Street, Parisara Bhavan, Bengaluru-01.
16. Director (Technical Cell), Commerce & Industries Department, Vikasa Soudha, Bengaluru.
17. Deputy Secretary (Sugar), Commerce & Industries Dept., Vikasa Soudha, Bengaluru-01.
18. Additional Director (P&P), Directorate of Industries & Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
19. Managing Director, Karnataka Udyog Mitra (KUM), Khanija Bhavan, Race Course Road, Bengaluru.
20. PS to Hon'ble Minister for Large and Medium Industries & Infrastructure Development, Vidhana Soudha, Bengaluru.
21. PS to Principal Secretary to Government, Commerce & Industries Department, Vikasa Soudha, Bengaluru.
22. M/s. Shamanur Starch Private Limited, Survey No. 30/28, Sulikatti Village, Kalgatagi, Dharwad - 581204.
23. Guard File / Spare Copies.

