

Karnataka Government**NO: CI 214 COF 2021**

Karnataka Government Secretariat

Vikasa Soudha

Bengaluru, Dated:24.02.2023

NOTIFICATION

In exercise of the powers conferred by Clause 3 and 11 of the Sugarcane (Control) Order, 1966 and Notification No. GSR 1291/ESS.Com./ Sugar, dated 24th August, 1967 of the Ministry of Food, Agriculture Community Development and Co-operation (Department of Food), Government of India, New Delhi, the Government of Karnataka hereby makes the following Order, namely:-

ORDER

1. Title and commencement.- (1) This order may be called the Karnataka Sugar (Regulation of Production) Order, 2022.

(2) It shall come into force from the date of its publication in the official Gazette.

2. Definitions.- (1) In this Order unless the context otherwise requires,-

(a) "Bilateral agreement" means an agreement made between the occupant of the factory and the farmers who supply sugarcane;

(b) "Contribution" means contribution to be paid to S.Nijaligappa sugar Institute for the research and developmental activities by the sugar factories, as specified vide Government letter No: CI 173 SGF 2008, dated: 08.04.2009;

(c) "Fine" means fine payable by the sugar factories under sub-clause (5) of clause 4;

(d) "Form" means a form appended to this Order;

(e) "Licensee" means a person to whom a license has been granted under clause 6;

(f) "S. Nijaligappa Sugar Institute " means the institute established at Belagavi, vide G.O. No. CI 193 SGF 94(P) Bengaluru, dated: 08.10.2003; and

(g) "Sugarcane bill" means the bill paid to the farmers by the factory as per price (FRP) specified by the Central Government under clause 3 of sugar cane (Control) order, 1966, for the sugarcane supplied.

(2) Words and expressions used in this Order but not defined shall have the meaning assigned to them in clause 2 of the Sugar (Control) Order. 1966.

3. License for the manufacture of sugar:- No sugar shall be manufactured from sugarcane except under and in accordance with this order and the conditions specified in the license issued for the purpose by the State Government. All the registered or active sugar factories shall obtain subscription of S. Nijalingappa Sugar Institute, Belagavi and at the end of each sugarcane

crushing season, they shall pay contribution to the S. Nijaligappa Sugar Institute, Belagavi, at the rate as may be specified by the State Government, from time to time.

4. Issue of license and renewal.- (1) An application for grant or renewal of license shall be made in Form-I, to the Commissioner for Cane Development and Director of Sugar, within 31st March of every year along with the records specified under sub-clause (2). The Commissioner for Cane Development and Director of sugar shall ensure the payment of license fee, contribution to the S. Nijaligappa Sugar Institute, sugarcane bill and then he shall forward the application and records to the State Government within 30th May of every year, along with his comments and recommendations. The application for license shall be accompanied with fee as specified below:-

a	Rs. 50,000/-	For factories having crushing of not more than 5000 TCD
b	Rs. 1,00,000/-	For factories having crushing capacity of 5001 TCD to 10000 TCD
c	Rs. 1,50,000/-	For factories having crushing capacity of 10001 TCD to 15000 TCD and
d	Rs. 2,00,000/-	For factories having crushing capacity of more than 15000 TCD

Provided that, license may be granted or renewed for a term of one, three or five years as applied for, at the annual rates specified under this clause.

(2) The fee payable under sub-clause (1) shall be paid into the Government Treasury under the appropriate head of account and the challan shall be attached to the application for license along with the following documents, namely:-

(i) receipt in respect of the contribution made to S. Nijalingappa Sugar Institute, Belagavi towards research and development;

(ii) a valid permission letter obtained from the Karnataka State pollution control Board shall be submitted along with the application for license;

(iii) a copy of the consolidated bilateral contract made shall be submitted along with the application; and

(iv) consolidated record regarding the fully paid sugarcane bill by the occupant of the factory to the farmers who supplied sugarcane to the factory in previous seasons.

(3) On receipt of an application, the State Government may, after such inquiry as it thinks necessary, if satisfied that the license may be granted or renewed as the case may be, grant or renew the license in Form-II, before the start of crushing season and it shall be valid up to 30th June of the year, following the date of issue and shall be subject to such conditions as may be imposed by the State Government from time to time.

(4) The State Government may, for reasons to be recorded in writing, refuse to grant or renew the license after giving the applicant an opportunity of being heard.

(5) In case of non renewal of license, prior to commencement of the respective crushing season, occupant of the factory shall be liable to pay the fine of Rs. 50,000/- per year and such fine shall be paid into the Government Treasury under the appropriate head of account.

Provided that, the occupant of the factory need not pay any fine as onetime measure, which due up to the end of season 2022-23.

Provided further that, the license fee of application due up to the end of season 2022-23 shall be in previous rates as specified before and the revised rates shall be applicable for the renewal of license due to the end of season 2022-23.

1. Suspension or cancellation of license.- (1) Where the State Government is satisfied that a licensee has contravened any of the provisions of this order or the conditions of the license granted, it may, without prejudice to any penalty which may be imposed in respect of such contravention under the Essential commodities Act, 1955 (Central Act 10 of 1955), for reasons to be recorded in writing, suspend or cancel the license, after giving the licensee a reasonable opportunity of being heard.

(2) No licensee whose license is suspended or cancelled under this clause, shall be entitled to any compensation from the State Government on the ground of any loss or damage arising from such suspension or cancellation or to the refund of any fee paid to the State Government in respect of such license.

6. Repeal and Savings.- The Karnataka Sugar (Regulation of Production) Order, 1975 is hereby repealed:

Provided that such repeal shall not affect:

- (i) (a) the previous operation of the said orders or anything duly done or suffered there under; or
(b) any right, privilege, obligation or liability acquired, accrued or incurred under the said orders.
- (ii) any reference to the orders repealed by sub-clause (i), shall be construed as a reference to this order.
- (iii) all proceedings commenced under the orders repealed by sub-clause (i), and pending on the date of commencement of this order shall be continued and disposed off in accordance with the provisions of this order.

By Order and in the name of the
Governor of Karnataka

(SHANTHARAMA)

Under Secretary to Government
Department of Commerce and Industries
(Sugar)

FORM-I

(see sub-clause (1) of clause 4)

Application for license for manufacture of sugar from sugarcane or for its renewal.

(To be submitted to the Secretary to Government, Department of Commerce and Industries, in triplicate)

1. Name, parentage, residence and place of business of the applicant:

(a) In the case of a firm, names and addresses of the partners and the place of business of the firm:

(b) In the case of a company registered under the Indian Companies Act, 1956, the name of the company and the address of the registered office with the names/and addresses of the Directors and of the Managing Director, the Secretary and the Chief Executive Officer of the company:

2. Site of the Factory:

(a) Village or Town:

(b) Taluk:

(c) District:

(d) Nearest Railway Station:

3. Quantity of sugarcane crushed during the three previous crushing seasons:

4. The number of days that the factory crushed sugarcane during three previous crushing seasons:

5. No. and date of Treasury Challan under which the prescribed fee has been deposited in the K2/district or sub-treasury (The K2 / treasury challan / bank receipt in case of online payment should accompany the application):

6. No. and date of the Receipt in respect of the contribution made to S. Nijalingappa Sugar Institute, Belagavi towards the Research and Development activities (copy of the receipt to be attached):

7. The number and date of the license to be renewed (in the case of applications for renewal):

8. The period of renewal sought: One year or Three or Five Years.

Signature of the Officer empowered to
sign on behalf of the applicant

Place:

Date:

Designation:

FORM-II

(see sub-clause (3) of clause 4)
Department of Commerce and Industries,
Vikasa Soudha, Bengaluru.

**LICENSE FOR MANUFACTURE OF SUGAR FROM SUGARCANE BY
VACUUM PAN PROCESS**

This license is granted to occupier of the situated at to manufacture sugar from sugarcane in the said factory, subject to the terms and conditions mentioned herein:

TERMS AND CONDITIONS:

- (i) This license shall be exhibited at some conspicuous part of the premises to which it relates.
- (ii) The licensee shall comply with any general or special directions that may be given by the Government of India, Government of Karnataka or any officer authorized under the sugar (Control) Order, 1966, or under the provisions of any order issued or under the Essential Commodities Act, 1955.
- (iii) This license shall, unless cancelled earlier in accordance with any order, be in force for a period of one / three / five years, commencing from 1st July of to 30th June of
- (iv) The grant of this license is without prejudice to the terms and conditions of license under Industries (Development and Regulation) Act, 1951.

Date:

Under Secretary to Government
Commerce and Industries Department

By order and etc.....