

**Annual Report & Special Achievements for the year
2010-11 of Commissioner for Cane Development and Director of
Sugar, Karnataka State, Bangalore**

Sugar Industry is one of the Agricultural Based Industry in Karnataka. In India Karnataka is third biggest Sugar growing state. Sugarcane is growing in 4.36 lakh hectares of land and nearly 375 lakh tonnes of sugarcane is growing in Karnataka. 85% of sugarcane is utilizing for sugar production and 15% to that of cane seed and jaggery. During 2010-11, 57 sugar factories are functioning and details are as below (sector wise)

Sl. No.	Sector	Working sugar factories	Non working sugar factories	Total
01	Public	02	1	2
02	Joint	0	1	1
03	Co-operative	22	2	24
04	Private	33	4	37
	Total:	57	7	64

Total quantity of sugarcane produced and crushed for the last 3 years is as below:

(in lakh tones)

Sl.No.	Year	Cane crushed	Sugar produced	% of recovery
01	2008-09	161.31	16.64	10.32
02	2009-10	239.77	25.56	10.66
03	2010-11 (31.3.2011)	277.94	30.31	10.90

In 2009-10, 54 sugar factories produced 25.56 lakh tones of sugar in the State. In 2010-11, 57 sugar factories produced 30.31 lakh tones of sugar as on 31.3.2011. These factories provide jobs to thousands of rural people directly and indirectly.

Details of sugar factories having co-generation unit with their production and export capacity is given below. (As on 31.3.2011)

Sl. No.	Name of the sugar factory	Electricity production	
		Production capacity in M.W	Sales to KPTCL

1	Bananari Amman Sugars	36.00	27.25
2	Bilagi Sugars	8.00	4.50
3	Chamundeshwari Sugars	26.10	18.00
4	Coromandal Sugars	11.50	6.00
5	Gem Sugars	16.50	11.50
6	GMR Sugars, Haliyala	24.00	20.86
7	Jamkhandi Sugars	6.50	6.00
8	NSL Sugars	26.00	15.00
9	Renuka Sugars, Manoli	35.50	22.50
10	Venkateshwara Power Project	23.00	14.00
11	Nandi SSK	18.14	12.00
12	Naranja SSK	8.00	8.00
13	Raithara SSK	11.00	7.70
14	Hiranyakeshi SSK	26.00	23.15
15	Sathish Sugars	15.00	8.00
16	Ugar Sugar Works	15.50	12.50
17	Nirani Sugars	42.00	36.00
18	Kedarnath Sugars	10.00	4.00
19	Godawari Sugars	24.00	17.50
20	Indian Cane Sugars	28.00	24.00
21	Prabhulingeshwara Sugars	27.00	16.00
22	Sadashiva Sugars	15.50	13.67
23	Renuka Sugars, Athani	38.00	38.00
24	Renuka Sugars, Afzalpura	25.00	25.00
25	Ugar Sugars, Ugarkhurd	63.60	31.00
26	Vishwanath Sugars Ltd.,	14.50	7.80
27	Davangere sugars	24.00	16.00
28	Shamanur Sugars	22.00	16.00
29	Doodhaganga Krishna SSK	20.00	18.00
30	Mahathma Gandhi SSK	8.00	4.00
	Total:	668.34	483.93

The following sugar factories have distillery units and their daily production capacity is 1335 Kilo Litres. Details are as below:

Sl. No.	Name of the Sugar factory	Daily production capacity in Kilo Litre Per day
	Public Sector	
1	Mysore Sugar Co.	36

	Coop. Sector	
2	Doodhaganga Krishna SSK	30
3	Hiranyakeshi SSK	54
4	Malaprabha SSK	30
	Private Sector	
5	Ugar sugar works, Ugarkhurd	75
6	Shamanur sugars	60
7	Renuka Sugars, Manoli	120
8	Renuka Sugars, Burlatti	300
9	Renuka Sugars, Havalaga	240
10	NSL Sugrs (SCM Sugars)	45
11	Godavari Sugars	60
12	Chamundeshwari Sugars	50
13	Sathish Sugars	60
14	Vishwanath Sugars	35
15	Athani Farmers	30
16	Bannari Amman Sugars	60
17	Pary Sugar Industries (GMR, Haliyala)	50
	Total:	1335

Central Government in its Order dated:13-09-2002 made compulsory for the use of 5% Ethanol Mix with petrol and promulgated order dated: 01-01-2003. But, reversed the order w.e.f. 27-10-2004 owing to fluctuations in Ethanol price.

The following sugar factories are producing Ethanol in the State.

Sl. No.	Name of the Sugar Factory	Production capacity in Kilo Litre
1	Renuka sugars, Manoli	420
2	Godawari Sugars	50
3	Ugar Sugar Works, Ugarkhurd	50
4	Doodhaganga Krishna SSK	30
5	Shamanur Sugars	60
6	Malaprabha SSK	30
7	Vishwanath Sugars	30
8	NSL Sugars	50
9	Prabhulingeshwara Sugars	50
10	GMR Sugars	60

11	Athani Farmers	30
12	Sathish Sugars	30
13	Vijayanagar Sugars	60
	Total:	950

Road Cess:

During 2010-11 under Road Development Scheme an amount of Rs.750.00 lakhs is provided in the Budget. Out of which an entire amount of Rs.750.00 lakhs has been released for development of roads in the area of sugar factories.

S. Nijalingappa Sugar Institute (KSI)

S. Nijalingappa Sugar Institute (Karnataka Sugar Institute) has established in Belgaum and its branch at Mandya in order to encourage the sugar industry and farmers by giving research activities and cane development and other activities.

S. Nijalingappa Sugar Institute commenced its work at Belgaum w.e.f. 1.7.2003, Addl. Registrar of Co-op. Societies cadre employee was appointed as a Director of Institute. This institute has got 67.92 acres of land and the Administrative building was in the land adjacent to Belgaum city in an area of 24.07 acres.

State Government has sanctioned and released Rs. 485.00 lakhs so far. Government has given 300 acres of land (200 acres in Belgaum and 100 acres in Mandya) for the functioning of the said Institute.

Agricultural Science and Technology Division:

This division prepares, sponsors and encourages Research and Development projects for improvement, production and protection of sugarcane. Demonstrate proven sugarcane production technologies in farmers fields through sugar factories. Arranges for supply of good planting material to factories for multiplication. Impart training to cane development staff on improved sugarcane production technology. This division will promote biotechnology and tissue culture in sugarcane production; water saving technologies for sugarcane production, organic farming, technologies for making sugarcane cultivation profitable to the

farmers. For the benefit of Sugar Factories coming under South Karnataka region the Govt. has proposed to establish Bharath Rathna Sir M.Veshweshwaraiah Sugar Research Institute at Sathnur farm in Mandya District.

1. Sugar Technology and Environment Science Division:

This division will undertake periodic visits to member factories and work for increasing efficiency of sugar manufacturing and by product utilization processes. Suggestions, modifications, improvements, technical assistance to factories in areas such as: establishment of new plants, expansion, modernization, reduction in sugar loss, enhancement in the quality of sugar, decrease in the consumption of steam and electrical energy, pollution abatement, improvement in the capacity utilization of plant and machinery, process automation, etc., Will be provided by the division. This division will also cater to the analytical needs of the sugar industry. Research and Development Projects will be prepared and implemented in factories as well as the Institute.

2. Sugar Engineering, Co-generation, Instrumentation, Electronics and Computer Division.

This division will provide consultation to factories on all aspects of machinery systems meant for sugarcane preparation, milling, boiling operation, condensing and cooling, centrifuging, material handling and grading, process automation, computer and electronics related services to industry. This division undertakes visits to factories and provides guidance in areas of cogeneration of electricity, energy management including its generation, use and saving, energy audit, give technical assistance to all member factories in setting up new plants, expansion, modernization and improving the performance and efficiency of sugar plants through appropriate process instrumentation system and latest technologies. Research and Development projects will be prepared and implemented in factories as well as the Institute.

3. Alcohol Technology Division.

This division will work for improving by product utilization by assisting and guiding the distilleries in areas like fermentation, distillation, environment management through disposal of spent wash and other pollutions. This division prepares project reports and advises factories on the establishment of new distilleries or on the modernization and expansion of the existing ones. Research and Development projects will be prepared and implemented in factories as well as the Institute. This Division will focus on aspects related to ethanol.

4. Administration and Management Development Division.

This Division will impart training and render technical assistance for improving human resources deployed in different managerial, administration, accounts, store and operational levels in sugar factories for improving the performance of sugar factories and transforming sugar factories into profitable business units.

The S.N.S.I. proposes to offer various courses; aimed at professional development of personnel employed or seeking employment in the sugar Industry thereby improving the performance of sugar factories and all those who are dependent on this agro based industry, including farmers

5. Progress and Activities of S. Nijalingappa Sugar Institute.

The Deputy Commissioner, Belgaum has allotted and handed over 72 acres of land near Belgaum city, Benakanahalli and Belgundi Village in Belgaum Taluk, which need development for taking up Sugarcane Development activities.

Government of Karnataka (Agriculture Dept) has issued an order on 18-06-2004 to transfer about 25 Acres land and old buildings (requiring major repairs) of Seed Farm at Zedshapur of Belgaum Taluk, (on the Belgaum-Goa N.H.No.4A) to K.S.I., Belgaum for Research & Development activities. Office of the K.S.I. has shifted from Belgaum to Zadshapur Farm.

Kaveri CADA, Mysore has been requested to hand over 85 acres of land with buildings at Sathnoor village near Mandya to start activities at Mandya sub center. Water Resource Department has allotted 30 acres of land on lease for 29 years with certain conditions, which will be placed before Governing Council Meeting, and further action will be taken.

Government of Karnataka has sanctioned and released Rs.115.00 lakhs as a investment grant, few sugar factories have given Rs.24.00 lakhs as their contribution, towards membership subscription etc.,

Proposes to offer orientation courses pertaining to: Sugar Technology, Industrial Fermentation and Alcohol Technology, Sugar Engineering, Pollution Abatement, Accounts and Finance Management, Inventory Control and General Administration, Instrumentation. Special training courses will also be organized on the request of factories.

2010-11

The following 11 sick Sugar Factories have been leased for a period of 15-30 years.

1. Aland SSK Ltd., Bhusanur
2. Karnataka SSK (L), Haveri
3. Dhanalakshmi SSK (L), Bailahongal
4. Dakshina Kannada SSK (L), Brahmavar
5. Sri Srirama SSK (L), Chunchankatte
6. Mrudagiri SSK (L), Mundargi
7. Sangam SSK Ltd., Hidkal dam
8. Hemavathy SSK Ltd., Srinivasnagar
9. Raibagh SSK Ltd., Raibagh
10. Bhagyalakshmi SSK Ltd., Khanapur
11. Bhadra SSK Ltd., Doddabathi

Apart from these sugar factories, the Vanivilasa SSK Ltd., Hiriya and Bheemashankar SSK Ltd., have been examining for the possibilities of out rate sale.

The Pandavapura SSK Ltd., Pandavapura has been tie up to Mysore Sugar Co. for a period of 3 years on Operation and Management basis.

During 2010-11, Govt. has sanctioned the soft loan/ Term loan/ Working capital to the following 4 sugar factories. The details are as follows.

Sl. No.	Name of the sugar factories	Sanctioned amount (Rs. in lakhs)	Purpose
1	Pandavapura SSK Ltd., Pandavapura	2500.00	Working capital
2	Mysore Sugar co.	2500.00	Working capital
3	Markandeya SSK	748.00	Term loan from NCDC for erection
4	Bheemashankar SSK	3600.04	Soft loan as per the Direction of the Hon'ble Court.

Govt. under its order No. ವಾಕ್ಯ/94/ಸಸಕಾ/2008, dated 24.3.2011 has been sanctioned Rs. 2483.44 lakhs to the following 3 sugar factories under One Time Settlement (OTS) payable to Apex Bank.

Sl. No.	Name of the Karkhane	Sanctioned amount (Rs. in lakhs)
1	Vanivilasa SSK Ltd., Hiriyur	621.48
2	Karnataka SSK Ltd., Haveri	1227.60
3	Pandavapura SSK Ltd., Pandavapura	634.36
	Total	2483.44

Govt. in its order No. CI/179/SGF/2010 dated 28.3.2011, it has converted a sum of Rs. 47,41,69,321/- of purchase tax payable by 9 sugar factories as interest free loan.

Establishment and Growth of the Sugar department:

The Directorate of Sugar was established in the year 1973. Then, only 12 Sugar Factories were working. Afterwards numbers of Sugar factories were established in the State. Presently 64 sugar factories are working. Out of the total sugar factories 24 are in Cooperative Sector, 2 in Public

sector, 1 in Joint Sector and 37 in private Sector, 6 New Co-operative Sugar factories are under different stages of installation.

The Directorate is enforcing the following Acts & Rules:

- 01. Sugar Cane (Control) Order, 1966
- 02. Karnataka Co-operative Societies Act 1959 & Rules 1960

Administrative Setup:

Commissioner for Cane Development and Director of Sugar

Joint Registrar of Co operative Societies and Head Quarters Assistant to Commissioner

Assistant Registrar of Cooperative Societies

Assistant Director of Cooperative Audit

Ministerial Staff

Ministerial Staff

The Directorate is headed by the Commissioner who is an IAS (Super Time-Scale) Officer.

The Joint Registrar of Co-operative Societies & HQA to Commissioner

In Addition the Commissioner is having Assistant Director of Co-operative Audit & Assistant Registrar of Co operative Societies and other Ministerial staff.

Total Sanctioned strength of the Sugar Directorate.

Group -A : 2
 Group - B : 2
 Group - C : 16
 Group - D : 3
Total : 23

Objectives of the Department

- To give impetus to intensive cane development activities in the operational areas of sugar factories in Co-ordination with Agricultural Department and the factories.

- Encourage and facilitate diversification of activities like co-generation, production of Distillery and Ethanol.
- To give technical support to the sugar mills.

To take up proper financial monitoring particularly in respect of Co-operative sugar factories from Government and Financial Institutions

for Commissioner for Cane
Development and Director of Sugar
Headquarters Assistant