



PROFILES OF SUGAR FACTORIES UNDER TAKEN FOR THE STUDY IN KARNATAKA: SPECIAL REFERENCE WITH NARANJA CO-OPERATIVE SUGAR FACTORY, IMAMPUR:

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ABSTRACT

The sugar industry is basically an Agro based industry plays an important role in achieving socio economic development of the rural community in particular and of the region in general. It not only occupies a prominent role in the economy of the rural but at the same time it contributes to the economic development of the nation. Sugar industry hold second rank next to cotton textiles in the county itself shows the importance and its contribution.

INTRODUCTION TO SUGAR FACTORY :

It generates employment nearly to 5 lakhs of people directly and indirectly. India produces Crystal White Sugar, Khandasari, and Jaggery. There are about 450 industries working



through out the country. Among them 120 are in private sector, 235 in cooperative sector and 95 are in public sector. In Karnataka State there are about 40 sugar industries established. Out of 40, 20 are in private sector, 18 are in cooperative sector and remaining 2 are in public sector. The sugar industries are located in rural areas and have an intrinsic symbiotic relationship with rural mass. Some units are also in a position to supply surplus power to the grid through Bagasse based co-

GROWTH OF SUGAR INDUSTRY:

On 1st July 1990, the Government of India issued new guidelines for licensing new sugar factories and for the expansion of the existing sugar factories. Under the guideline the licensing policy has been made very liberal so as to boost the production of sugar. India is the original home of sugarcane and has a flourishing sugar industry in the ancient time. But the modern sugar manufacturing industries were established in Bihar. But

the real development of the industry took place only after 1932 when protection was given to this industry against the foreign competition within a short period of 2 or 3 years. The number of sugar mills increased from 32 in 1931-32, to 137 in 1935-36 and the production also increased considerably during the same period.

A) BACKGROUND AND INCEPTION OF NARANJA SAHAKARI SAKKARE KARKHANE.

The Naranja Sahakari Sakkare Karkhane (NSSK) Ltd., is a Co-operative venture registered on 27th April 1982 under the Karnataka Co-operative Societies Act 1959 vide Reg. No. DSK:REG-5/82C-83 with objective to facilitate farmers to improve their socio economic conditions. The Karkhane is

established in 'Industrially no zone area'. Government of India issued letter of intent vide No. Li:193(1989) dated 20th March 1989. The crushing capacity of the sugar plant is 2500 TCD and co-generation unit of 14 MW.

The activities of the factory were confirmed only to the development of civil works, landscaping and building etc. It took shape when the management of the factory was taken over by Hon'ble Sri. Gurupadappa Nagamarpalli and his progressive farmers. The setting up of the factory took shape in record time of 18 months at a project cost of Rs. 8580.00 Lacs. Sri. Gurupadappa Nagamarpalli is a veteran co-operator, social worker and a progressive farmer. Served as a Minister of Forest twice in Government of Karnataka. Serving as a Chairman, District Central Co-operative Bank Ltd., Bidar, Naranja Sahakari Sakkare Karkhane Ltd., Director, Karnataka State Co-operative Apex Bank Ltd., Bangalore, KSCMF Ltd., Bangalore. IFFCO-TOKIO New Delhi. The factory started commercial production since 26.10.2002.

TABLE - 3.1
Types of Sectors

Type of sectors	In India	In Karnataka
Cooperative sector	235	18
Private sector	120	20
Public sector	95	02
Total	450	40

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B) NATURE OF BUSINESS CARRIED. SUGAR PRODUCTION :

The crushing capacity of the Sugar plant is 2500 Tons Cane per Day (T.C.D.) and producing export quality Crystal White Sugar using the latest techniques in the country. The factory is one of the most advanced units by its modern technicalities in India. Robust and reliable equipment of latest design, high efficiency, and low power consumption have been installed. Factory runs continuously for 7-8 months in a year.

Due to abundant cane availability in the area of operation, a minimum duration of season of 7 to 8 months is assured i.e. to say about 6 lakh tons of sugarcane will be crushed during the season to produce around 7 lakh quintals of sugar. When this is done, the turnover of the company right from beginning would be Rs. 120 crores and after meeting all the obligations, there will be sizable surplus per year.

POWER GENERATION :

The company has undertaken to establish a mega project to generate power using non conventional energy fuel i.e. bagasse which is a by product coming out of sugarcane and available in plenty at the location employing very high pressure (67 ata) and high efficiency boilers and turbo generator sets.

Out of 8 MW of power generated per hour, 4.5 MW will be used for captive consumption per hour, leaving a balance of 3.5 MW to be sold to Karnataka Power Transmission Corporation Ltd., (KPTCL) (formerly Karnataka Electricity Board) all around the year.

Under the 10 year power purchases agreement entered into between the factory and KPTCL, the power to be exported to grid at 110 KV would be paid for through an assured letter of credit at Rs. 3.02 per unit initially with an escalation of 5%.

Every year i.e. to say 3.5 MW/hour of exported power will generate a revenue of about Rs. 4.00 crores per year and after meeting incidental expenses for generation, there will be a sizable surplus per year, which makes it a highly attractive proposition.

C) VISION, MISSION AND QUALITY POLICY:

VISION :

The setting up of the sugar factory at Imampur that would enable to create employment opportunity in rural areas to the unemployed specially the weak and backward section of the community not in the sugar unit at Imampur but also in the ancillary units enabling them to increase their purchasing power and consequent leading to higher living standards.

MISSION :

- 1) Production of white crystal sugar to meet the increasing demand both for domestic consumption as well as for export.
- 2) Co-generation of 12 MW power utilizing 4.5 MW as capacity power of its own use and 7.5 MW of surplus power to sale.

QUALITY POLICY :

- 1) Providing latest technology good quality seed material and other inputs.
- 2) Importing training in sugarcane cultivation etc.

BY PRODUCTS :

The company has ambitious plans to utilize various by products in systematic way as follows :

BAGASSE :

- 1) Power generation
- 2) Paper production

- 3) Particle board
- 4) Cattle feed and furfural

MOLASSES :

- 1) Butanol
- 2) Yeast
- 3) Industrial Alcohol
- 4) High protein molasses
- 5) Distillery and Ethanol plant

FILTER CAKE :

- 1) Manure
- 2) Refined Wax
- 3) Bio - Fertilizer unit

D) AREA OF OPERATION - GLQBAL/NATIQNAL/REGIONAL:

It is a normal practice that the State Government allots Sugarcane areas to each sugar factory depending on the crushing capacity of the plant. The policy is such that whenever the sugarcane production is high, the factories generally concentrate first in their area of operation and then go for others. When the quantum of crop comes down the sugarcane of other areas and non-members will also consider.

As much sugar sales is concerned Government of India issues release order to every sugar factory. The sales proceeds are governed by the rules and regulations framed for the purpose by Central Government.

The factory sells their sugar as per the Government release orders in open market. The levy Sugar fixed by the Government has to sell according to the allotment made by the Government at fixed quantum and rates.

EXPORT :

Government of India framed a policy to export Sugar. The factories are expected to take prior permission from concerned authorities before expanding their products.

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