

## Notes and Notifications

# The Gazette of India

EXTRAORDINARY

PART II—Section 3—Sub-section (ii)

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MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
(Department of Food and Public Distribution)

ORDER

New Delhi, the 30th September, 2016

**S.O. 3093(E)/Ess.Com./Sugarcane.** – In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order further to amend the Sugarcane (Control) Order, 1966, namely:-

1. (1) This Order may be called the Sugarcane (Control) Second Amendment Order, 2016.  
(2) It shall come into force on the date of its publication in the Official Gazette.
2. In the Sugarcane (Control) Order, 1966
  - (a) in clause 2, – (i) for sub-clause (c), the following sub-clause shall be substituted, namely:-
    - (c) "factory" means any premises including the precincts thereof in any part of which sugar is manufactured by vacuum pan process and at its own option, ethanol from molasses or B-heavy molasses;
  - (ii) for sub-clause (i), the following sub-clause shall be substituted, namely:-
    - (i) "producer of sugar" means a person carrying on the business of manufacturing sugar by vacuum pan process and at its own option, ethanol from molasses or B-heavy molasses;
  - (b) in clause 3, in sub-clause (1), for Explanation (2) and Explanation (3), the following Explanations shall be substituted namely:-

"Explanation (2). – When a sugar factory produces ethanol from B-Heavy molasses, the recovery rate in case of such sugar factory shall be determined by considering every 600 liters of ethanol so produced as equivalent to one tonne of production of sugar.

"Explanation (3). – Production of ethanol directly from sugarcane juice shall not be allowed."

[F. No. 3(1)/2016-SP-II]

SUBHASISH PANDA, Jt. Secy.

The overall impact on a 100 TCH sugar factory per season will be. :

**Extra cane price to be paid = RS. 55155 per 100 tons of cane crush.**

For a crushing season of 140 days, it will be :-

**55155 × 24 × 140 = RS. 185320800.00 (RS. Eighteen crores fifty three lacs twenty thousand and eight hundred only.**

The above exploratory calculations are based on the following actual results obtained in 48 days trials at Kissan Veer SSK Ltd, Bhuinj, Distt: Satara during 2013-14 season under technical supervision of VSI, Pune.

Ethanol from B-Hy	Particulars	Ethanol from F.M.
48.	No. of days.	51
251851.00 MT.	Total Crush.	251851 MT
10.72.	Rec % cane.	12.08
26998.43 MT	Sugar produced	30423.60 MT
5.85.	Mol % cane	3.60
14733.30 MT.	Mol produced.	9066.60 MT
340 litre / Mt	Ethanol recovery.	265 litre / MT
5009316 litre.	Ethanol produced	2402659 litre

Sugar lost % cane in case of B-Hy mol diversion	=	3,315
Minus Sugar lost % cane in case of Final mol diversion	=	1.585
Extra sugar lost % cane	=	1.73
Plus Recovery % cane of Factory-A	=	10.72
Overall Rec % cane of Factory - A for FRP calculation	=	12.45

Suggestion is that FRP to be paid by sugar factory diverting b-Heavy molasses for ethanol production should be calculated on the basis of average sugar recovery % cane of all the sugar factories diverting final molasses in the region to avoid any confusion and controversy.

Annexure - 2 :

Let us compare the resultant effect of the Gazette Notification dated 30th Sept 2016 on two neighbouring sugar factories in Maharashtra – Factory-A, following conventional route of Final Molasses diversion for Ethanol / Alcohol production and Factory -B diverting B-Heavy Molasses for Ethanol production -

Factory - A.	Particulars	Factory-B
12.08%.	Rec % Cane	10.72%
-	Add rec. from B-Hy molasses	3.32%
12.08.	Overall rec% for FRP calculation.	14.04
RS. 3241.44	FRP to be paid per MT of cane	RS.3766.72
RS. 162.07	Cane Cess @ 5%.	RS. 188.34
RS.3403.51	Total cane price per MT of cane	RS. 3955.06
-	Extra to be paid for ethanol produced from B Hy.	RS. 551.55

**Production figures for 100 MT crush**

1989 litres.	Ethanol produced.	951 litres
3.315 MT	Sugar in ethanol as per notification	1.585 MT
12.08%	Rec % cane for FRP calculations	14.035%.

In nutshell, sugar factories diverting B-Hy for Ethanol production will have to pay 16.21% extra sugarcane price than factories diverting F.M., as per GOI notification.

The above discrepancy in the FRPs of two factories – factory - B diverting final molasses and factory - A diverting B-Heavy molasses for ethanol production – is because of the fact that sugar lost in final molasses% has been inadvertently added into recovery % cane of factory B.

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