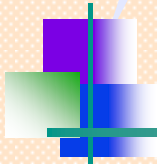




Situation Analysis for SME
Sector

Khandsari Cluster



Submitted to
TERI

By

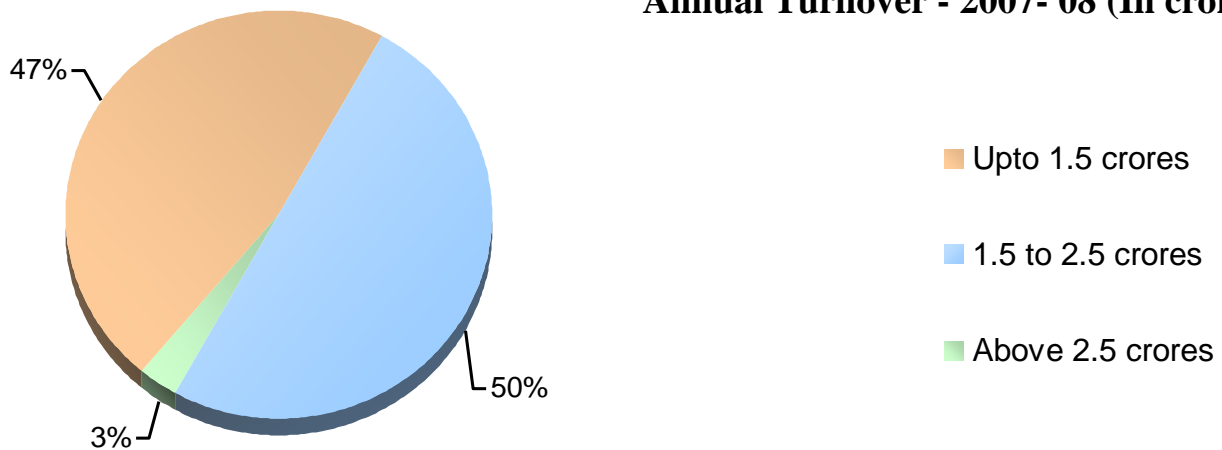
 **ACNielsen ORG-MARG**

SUMMARY OF FINDINGS

There are approximately 220 units registered in this cluster who are engaged in manufacture of khandsari as well as gur..

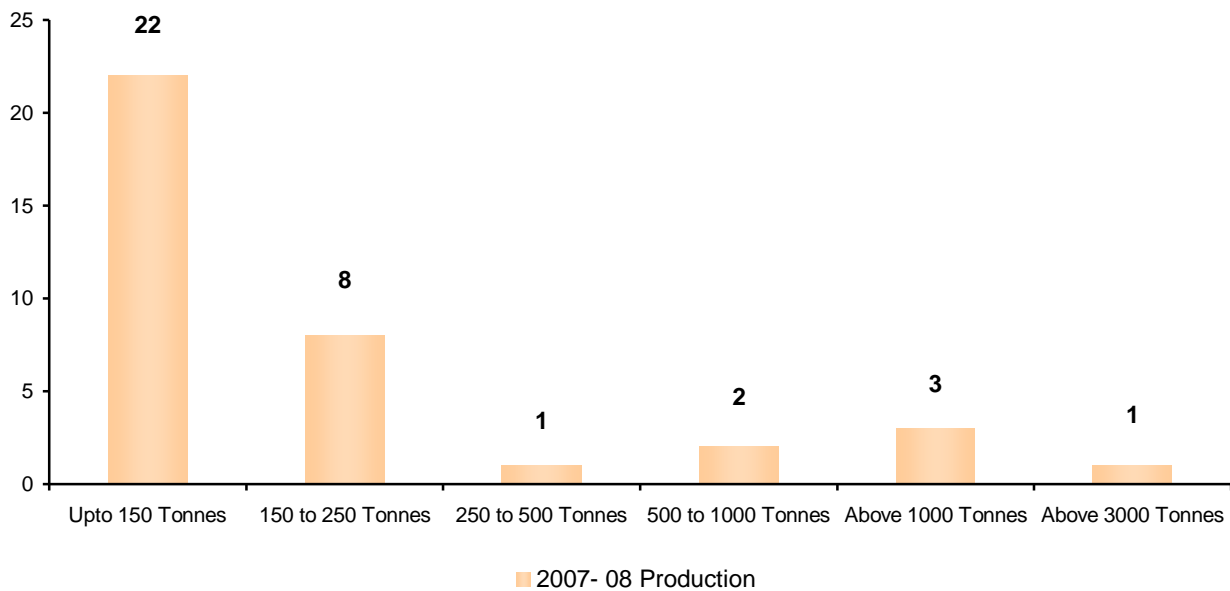
ANNUAL TURNOVER

Annual Turnover - 2007- 08 (In crores)



PRODUCTION

Annual Production (In Tonnes Per Annum)



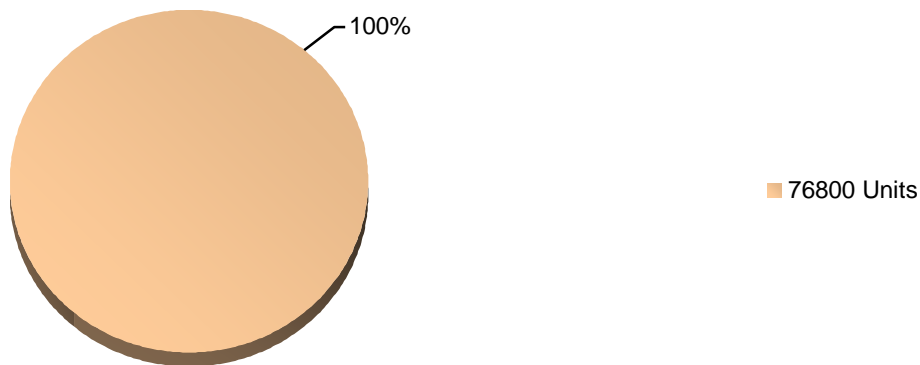
ENERGY REQUIREMENTS

CUMULATIVE FUEL USAGE

	Qty consumer per annum	Number of Units using the fuel
Electricity	2457600 Units	32
Coal / Hard Coke	348000 Tons	32

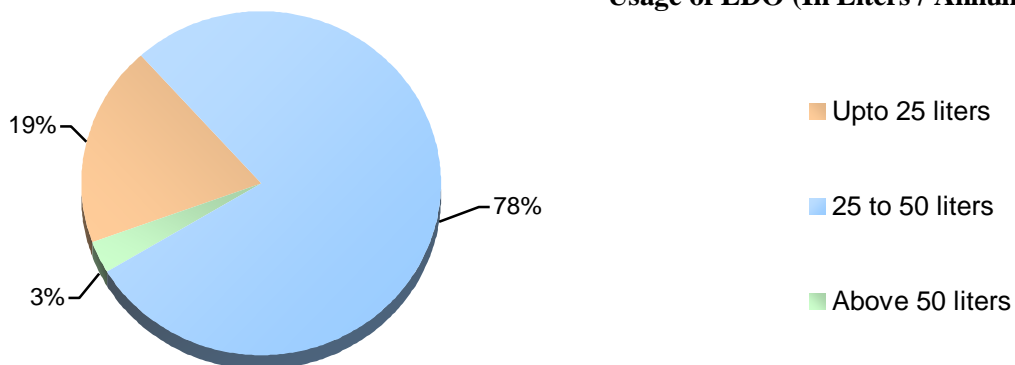
USAGE OF ELECTRICITY (IN UNITS CONSUMED PER ANNUM)

Usage of Electricity (In Units consumed per annum)



USAGE OF LDO (IN LITERS PER ANNUM)

Usage of LDO (In Liters / Annum)



Field Observations

- ✓ Uttar Pradesh is the largest Sugarcane producing state in India. In 1970 total number of Khandsari industries in U.P. was around 5000 whereas at present only 800 industries are licensed. In Meerut district total 80 Khandsari industries are licensed but at present only 7 units are working & at Saharanpur total licensed 50 units but currently only 2 units are working. In Bijnore district, which covers Nazibabad, Noorpur & Dhampur there are app. 165 licenced units but actual working units are only 32.
- ✓ The basic reason for closure of these industries is increases in numbers of sugar mills coupled with state Govt. policies & raw material shortage , hence majority of the cane has to go to the sugar mills.
- ✓ The process of khandsari manufacturing is of two types - Sulphurisation process and Non-sulphurisation process. Sulphurisation process is used for manufacturing of sugar only and involves two ways, hot sulphurisation and cold sulphurisation whereas non-sulphurisation process is used for manufacturing of sugar and jaggery.
- ✓ Sugarcane is the main raw material & is easily available locally; it depends upon the climate & soil but the main problem with the khandsari units is the availability of raw materials.
- ✓ Out of the total licensed units in the cluster only 15% of the units are currently in operation. The local farmers prefer to sell their produce to the Sugar mill's as they get the payments quickly but in khandsari units the payments are quite late. Sugar mill's pay Rs. 15/- to 20/- (for quintal) more than khandsari units.
- ✓ The cane crushing capacity of these units vary between 45TPD to 600TPD. The non Sulphur units have crushing capacity between 45-70 TPD, whereas Sulphur units are having crushing capacity up to 600 TPD.
- ✓ There is an quota system for Sugar mills & khandsari units, this depends upon the crushing capacity when the unit is registered it has to be mentioned. In case the crushing capacity exceeds then the unit has to incur an additional cost – fine.
- ✓ Earlier the crushing capacity was 50000 tpd, which has now gone upto 1,00,000 tpd, and as per the new government regulation the payment which was earlier made in 3 months or even later, now it is immediate payment while Khandsari units the payment is on credit.

- ✓ The khandsari units use surplus cane
- ✓ This cluster - Khandsari is an seasonal produce, the main business is from December to March, rest of the time they are closed, hence most of the unit owners are having some other main stream business.
- ✓ During the season the units are operating in 2 shifts or 12 hours shift.
- ✓ Major energy consuming equipment is cane crusher
- ✓ The units are having grid connection, alternate power source is DG Sets but not operating generally due to increase fuel rate, so during power cuts which is a common feature for 2/3 hours the unit remains closed. Duration of electricity supply 10 to 12 hr. And unit rate is @ 4.80/-
- ✓ The energy cost is 12 to 15 % in the total production cost.

Raw Material

Main Raw Material Sugar Cane, Collect from Local farmers

Equipments

Crushing machine

Dryer

Motor

Furnace

D.G.Sets,

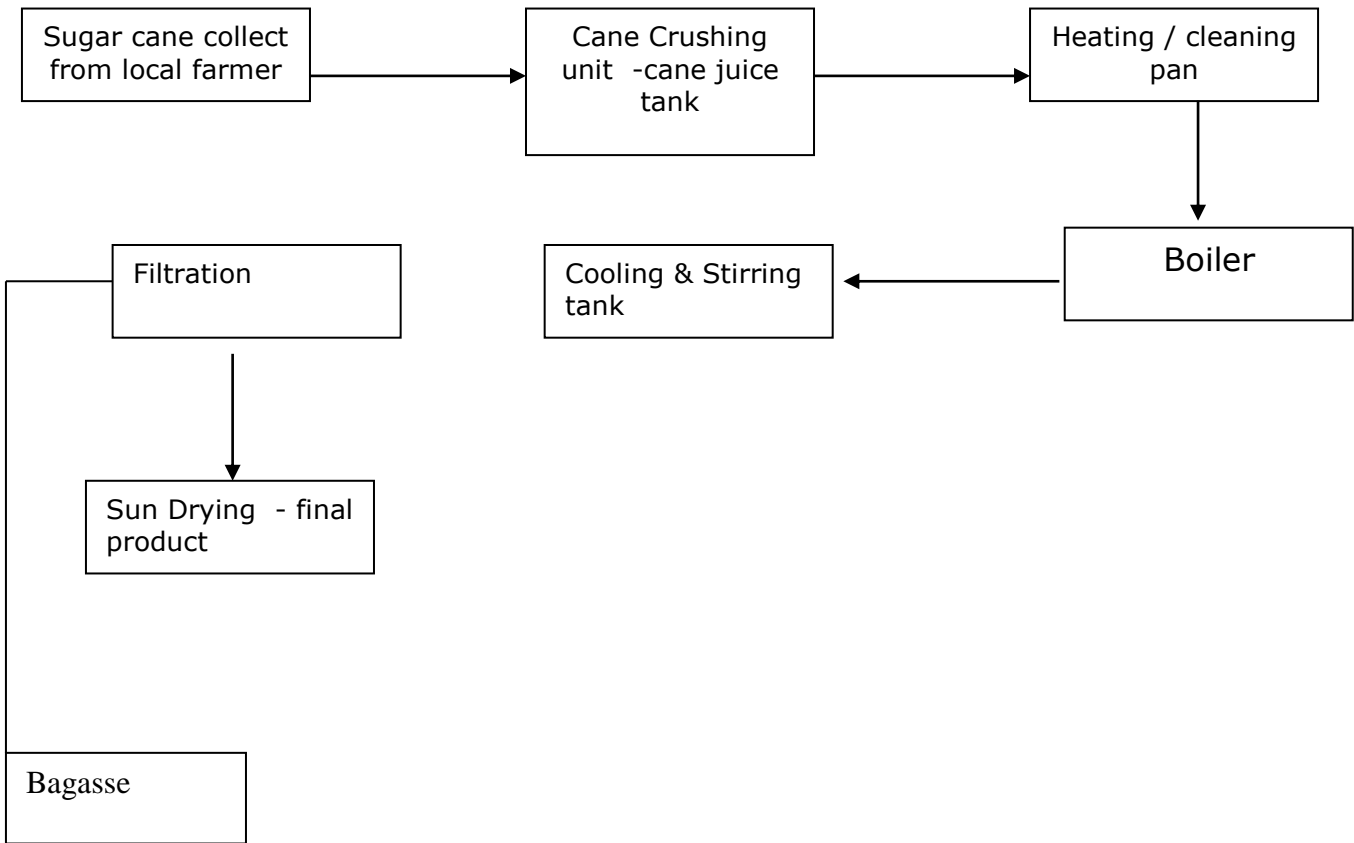
Filter press,

Crystalizers,

Filtration equipments,

Graders and storage tanks

Flow Chart





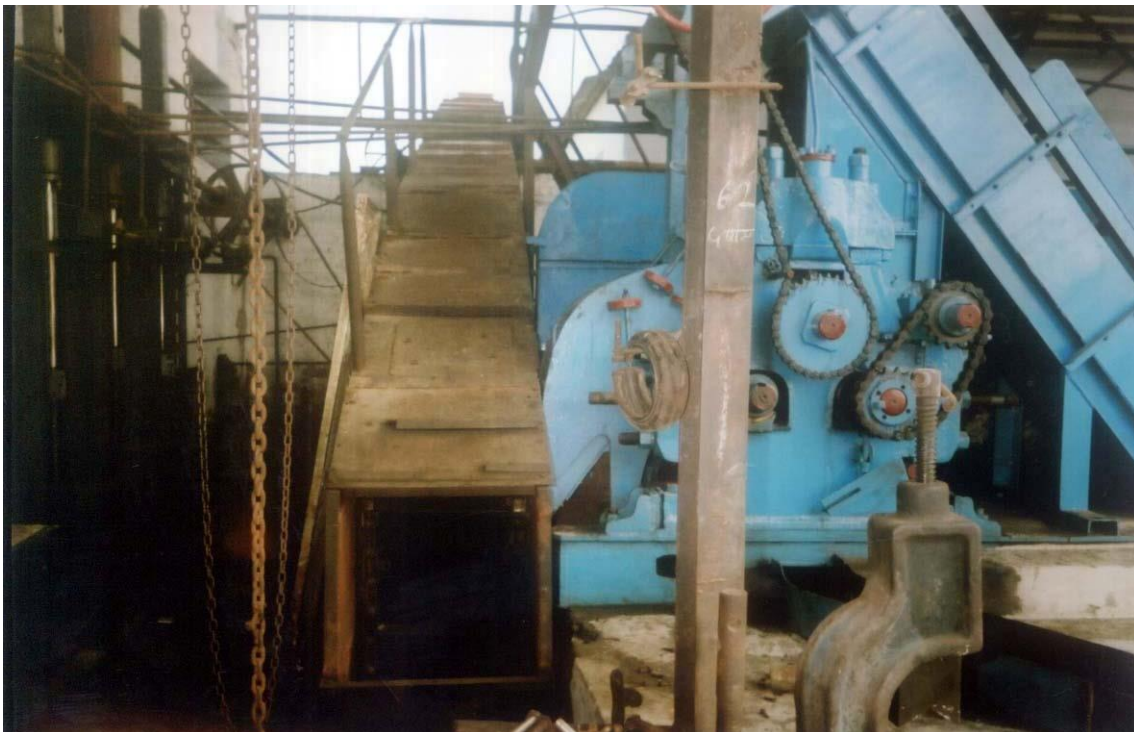
Entry point for cane crushing



Cane crushing machine



Part of crushing machine



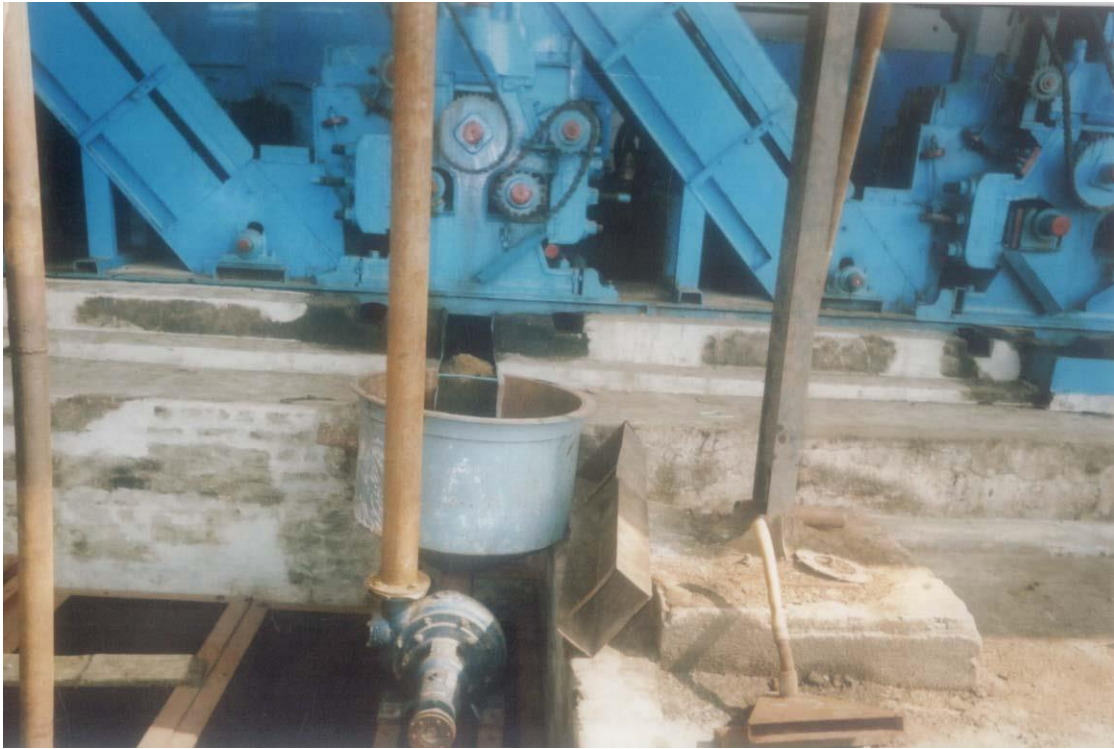
Conveyer for transferring bagasse



Boiling & crystallizer plant



Boiler



Sugarcane Juice collection



Bagasse

SERVICE PROVIDERS

Equipment supplier

Ashoka Technologies.

A-15, Mayapuri Industrial Area , Phase 1,

New Delhi - 110 064

Ph-011-28115308/28116570/28115422

Sitara Engineering Company

Sarawat, Muzaffar Nagar- 251001

Ph-0131-2440850, 2645638

Mr. Shamim Javed/Mohd Moosa

NSI Equipments

Opposite Block Development Office, Delhi Road, Meerut-250001

Ph-0121-2519225/2529956

CA Polytech Private Limited

D- 27, Site – IV, Industrial Area, Sahibabad, Ghaziabad- 201001

M- 9837122979 (Mr. Moosa Bhai)

Kaushik Inds,

Mavana,

Meerut

Association

UP Khandsari Sugar Manufacturer Association

B-92, Gandhi Nagar,

Moradabad, (UP)

Gana Udyog

Patel Nagar

Meerut

Bankers

- ✓ The units have not taken any loans from the banks

The main banks operating in the are are

- SBI, Bijnore
- Union bank of India, Begum Bridge road, Meerut, ph-2522770
- Vijaya bank, Bank Street, Meerut, Ph-2661053
- Allhahabad Bank, D-20, Shastri Nagar, Meerut, ph-2760192
- Andhra Bank, 786, Begaum Bridge, Meerut, Ph-2661277
- Bank of Baroda, Main branch, abulane, Meerut, Ph-2666194
- Canara Bank, 44/6, shastri Nagar, Meerut, Ph- 2511784
- Punjab National bank, Zonal office, Saket, Meerut, Ph-2645230