

SUGAR

Karnataka: Farmers begin strike seeking dues from sugar mill

Urging the Pandavapura Sahakara Sakkare Karkhane (PSSK), a cooperative sugar mill in Pandavapura, to clear dues to sugarcane growers, three farmer leaders began an indefinite strike outside the Deputy Commissioner's office here on Friday.

Honnagiri Gowda, a senior leader and former president of the Pandavapura Town Municipal Council, is leading the protest.

He urged the State government to conduct an inquiry against the alleged irregularities at the mill.

He told reporters that the mill owes around Rs. 17 crore to cane farmers. He said the management's promise to clear the dues has remained only on paper.

He added that the mill was exploiting its workers by denying them Provident Fund and other social security facilities, besides indulging in financial irregularities.

They say Pandavapura Sahakara Sakkare Karkhane mill owes around Rs. 17 crore to cane growers.

(Source- <http://sugarnews.in/karnataka-farmers-begin-strike-seeking-dues-from-sugar-mill/>, published on 3rd September, 2016)

In crackdown against non-payment of dues, Maharashtra co-op bank to auction 11 sugar mill

Maharashtra State Cooperative Bank (MSCB) has floated tenders inviting bids for auction of 11 sugar mills in the state for their failure to pay back dues to the bank.

According to managing director Pramod Karnad, these mills were not been able to pay their outstanding amounts to the bank, forcing the lender to take this step.

The bank had earlier invited bids for some of the mills, but failed to attract any buyer. So, the mills have been put up for auction again, Karnad told FE.

The total outstanding amount owed by sugar mills to MSCB is around Rs 362 crore. Two of the mills are in Aurangabad, two in Beed, and one each in Dhule and Wardha. These mills were not operational for the last couple of seasons.

Karnad said the bank had initially invited bids for seven mills and bids for another four mills were put up later. The process has been launched under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

The bank has launched the sale process for these units since these have defaulted on loan repayments. According to senior industry experts, if the mills are auctioned under the SARFESI Act, there is not much the government can do. The SARFESI Act gives the right to the secured

creditor to recover dues, and in such an event, no special permissions are required from the government before putting up notices for auction.

The Maharashtra Cabinet had decided in September 2013 that the sick sugar co-operatives will not be sold to private sugar mills. The MSC bank, the main lender to co-operative institutes, had then sold a sick sugar co-operative, Ahmednagar Taluka Sahakari Sakhar Karkhana, to recover its dues. The bank had then floated tenders to give 13 sick cooperative sugar mills on lease.

As on date, some of the 11 mills that have been put up for auction also owe farmers in terms of the fair and remunerative price (FRP). As on August 31, the total FRP dues in the state stood at around R365 crore.

Sugar commissioner Vipin Sharma said hearings have been organised on September 6, where nearly 100 mills that have not paid 100% of the FRP dues have been called to explain their positions.

(Source- <http://sugarnews.in/in-crackdown-against-non-payment-of-dues-maharashtra-co-op-bank-to-auction-11-sugar-mill/>, published on 3rd September, 2016)

Sharad Pawar opposes government decision on sugar stock

Battling strongly for the sugar mill lobby in the state, Nationalist Congress Party (NCP) president Sharad Pawar has opposed the central government's decision to impose a limit on the amount of sugar that mills can hold at the end of September and October.

The government has initiated a move to keep prices under check ahead of key festivals when demand rises.

"The move will hit the sugar mills in the state hard. The government wants to put restrictions on stock that mills can keep. But there is no demand for sugar and hence mills will find it difficult to sell stocks. I have spoken to chief minister Devendra Fadnavis and will also speak to the central government officials to find a way," Pawar said at the centenary celebrations of Pune District Cooperative Bank on Friday.

Earlier, food minister Ram Vilas Paswan had tweeted "It has been decided to impose stock limit on sugar stock to be held by sugar mills at the end of September 2016 and October 2016."

The limit at the end of September would be 37 per cent of the total sugar that mills had in the same period a year ago, while for October it would be 24 per cent.

In April, the Cabinet chaired by Prime Minister Narendra Modi had given its approval to bring sugar under the purview of imposing stock holding limits on dealers of sugar, keeping in view the recent upward trend in sugar prices. The government noticed that in spite of sufficient availability of sugar stocks with the sugar mills, the wholesale and retail prices have shown a spurt.

"It is a fact that sugar prices are soaring, but at the same time farmers must also survive," Pawar said. He also opposed the Reserve Bank of India (RBI) decision to fix a 12-month term to repay crop loans.

“Sometimes sugarcane takes about 15 months to grow and hence it is inappropriate to ask farmers to pay their crop loans in 12 months,” he said. Pawar also warned that deliberate efforts to destroy the cooperative movement will affect the common people

BJP leaders and ministers in the cabinet Girish Bapat and Subhash Deshmukh were present for the function. Both praised Pawar's leadership qualities. Former deputy chief minister Ajit Pawar said the government was targeting cooperative movements while helping private business houses.

(Source- <http://sugarnews.in/sharad-pawar-opposes-government-decision-on-sugar-stock/>, published on 3rd September, 2016)

Indian Sugar Industry- From Rags to Riches

CARE Ratings has published a report on Indian Sugar Industry.

Synopsis

- The Indian Sugar Industry (ISI) is exhibiting signs of complete turnaround with surging sugar prices and depletion in buffer sugar stock due to decrease in global as well as domestic production and steady growth in sugar consumption.
- Furthermore, Sugar Season (SS) 2016-17 is expected to result in another season of global sugar deficit with forecasted global sugar consumption of 174 Million Metric Tonnes (MMT) outpacing the production level of 169 MMT. As regards the domestic market, lower opening stock in SS16-17 estimated at 7.2 MMT, decline in area under cultivation of sugarcane to 5 million hectares (estimated) and a steady rise in consumption is expected to further deplete the buffer stock of sugar.
- The government has, however, introduced measures such as imposition of stock holding limits at the traders' end, imposition of export duty of 20% and withdrawal of excise duty exemption for ethanol blending to keep sugar availability in domestic market intact.
- The credit risk profile of the sugar companies is expected to remain stable in the medium-term on the back of envisaged scenario of consumption outpacing production, translating in higher sales realisation, improved profitability margins, adequate debt coverage indicators and improvement in the liquidity position.
- Continuation of the government policies to regulate the sugar sector and actual global as well as domestic production vis-à-vis consumption patterns would however be crucial for ISI during SS16-17.

(Source- <http://sugarnews.in/indian-sugar-industry-from-rags-to-riches/>, published on 2nd September, 2016)

Co-gen/Power

Hybrid Solar and Wind Systems Attract Turbine Makers in India

Wind turbine makers in India are looking at building more renewable energy projects that would combine solar and wind in a bid to provide a reliable and cost-effective power supply.

Gamesa Corp. Tecnologica SA, the largest wind-turbine maker in India by market share, is preparing to announce its first wind-solar project within the next two months. Suzlon Energy

Ltd., India's largest domestic manufacturer of wind turbines, says it expects to focus on hybrids starting next year.

"We feel that hybrid projects will make 50 to 60 percent of our sales over the next three years," Ramesh Kymal, the chief executive officer of Gamesa's India operations, said in an interview in New Delhi. "In a couple of months an announcement of a hybrid project from Gamesa can be expected."

The major advantage of a solar-wind hybrid is a boost to the reliability of the system as power generation from the two different sources supplement each other. Combining the two technologies and sharing a grid connection can also increase capacity, developers say. Hybrids hold an additional appeal in India where land acquisition remains a challenge.

(Source- <http://indianpowersector.com/2016/09/hybrid-solar-and-wind-systems-attract-turbine-makers-in-india/>, published on 6th September, 2016)

9 stranded power plants win imported gas supply auction

Nine stranded gas-based power generation plants including Ratnagiri and GVK Power with an installed capacity of 5070 MW have emerged as successful bidders through a transparent and competitive reverse e-auction process in the fourth phase of imported gas auction. These plants would generate 8.81 billion units of electricity which will be supplied at or below Rs 4.70 per unit to the purchaser Discoms during the period from October 1, 2016 to March 31, 2017, the Power Ministry said in a statement. This will involve government support of Rs 187.14 crore from the Power System Development Fund. The present reverse e-auction for the Stranded Gas based Plants is the fourth phase of auctions conducted under Scheme for Utilization of Stranded Gas Based Generation Capacity. The grid connected gas based power generation capacity in the country is 24,150 MW.

Of this, a capacity of 14,305 MW had no supply of domestic gas. These comprise 29 plants which were eligible to participate in the auction process held today. 14 plants with a cumulative installed capacity of 7575 MW participated in the auction process for Phase IV. The generation from these plants would improve the power availability in the Southern grid, mitigating to a large extent the shortage of availability and constraint of evacuating the power to the Southern region from other regions.

(Source- <http://news.webindia123.com/news/Articles/India/20160904/2930470.html>, published on 4th September, 2016)

Mahanadi Coalfields gets nod for Rs 348 cr washery proj in Odisha

Coal India arm MCL has received environment clearance for setting up a coal washery with 10 million tonnes per annum capacity in Talcher district of Odisha at a cost of Rs 348.75 crore.

Mahanadi Coalfields Ltd (MCL) has proposed to set up a 'Jagannath washery' in an area of 29.94 hectare on Build Operate and Maintain (BOM) basis in Talcher.

The proposed washery with 10 million tonnes per annum capacity will have the linkage of coal from Bhubaneswari open cast mine.

“Based on the recommendations of the expert panel, the Environment Ministry has given green clearance to MCL for setting up of Jagannath washery in Odisha under the provisions of Environment Impact Assessment Notification, 2006,” a senior government official said.

The clearance to the Rs 348.75 crore project has been given subject to certain conditions, the official added.

(Source- <http://indianpowersector.com/2016/09/mahanadi-coalfields-gets-nod-for-rs-348-cr-washery-proj-in-odisha/>, published on 5th September, 2016)

MNRE to soon finalise bidding norms for small hydro projects

In a bid to encourage Small Hydro Power (SHP) generation capacity addition and achieve economies of scale, the New and Renewable Energy Ministry will soon finalise guidelines for tariff-based bidding of projects.

“The ministry has invited comments on the draft guidelines for the tariff-based competitive bidding process for grid-connected SHP projects (of up to 25 MW),” an official said.

The official said, “The comments on draft guidelines can be sent by September 10, 2016. The norms for bidding of these SHP projects would be finalised very soon.”

The ministry is responsible for the development of small hydro projects of up to 25 MW station capacity. The estimated potential of power generation from small hydro projects (up to 25 MW) is about 20,000 MW in the country.

According to information available with the ministry, so far nearly 4,300 MW SHP capacity has been harnessed at 1,075 sites all across the country.

(Source- <http://indianpowersector.com/2016/09/mnre-to-soon-finalise-bidding-norms-for-small-hydro-projects/>, published on 5th September, 2016)

RIL's start-up fund could give Indian start-up ecosystem its second wind

With one of the largest business conglomerates in India, Reliance Industries Ltd (RIL), parking more than a billion dollars for start-ups in the country, the clogged wheels of the start-up ecosystem might again see motion in India, industry insiders believe.

The Mukesh Ambani-led company on Thursday announced that it is setting up a Rs 5,000 crore fund, under the name of Jio Digital India Startup Fund, to invest in digital businesses. According to analysts, the fresh inflow of funds as and when it happens, might just help in re-igniting investor sentiment in the country.

According to economic survey 2015-16, there are more than 19,000 technology-enabled start-ups in the country. Also, the number of active investors in India increased from 220 in 2014 to 490 in 2015. Other major players are Accel Partners, IDG Ventures India and SAIF Partners — who in all have invested more than \$2 billion in various Indian start-ups. Japanese major SoftBank has so far invested close to \$2 billion in India. SoftBank CEO Masayoshi Son had earlier this year told Indian media that the company will invest \$10 billion in the next 5-10 years.

(Source-<http://indianpowersector.com/2016/09/rils-start-up-fund-could-give-indian-start-up-ecosystem-its-second-wind/>, published on 3rd September, 2016)

Quote of the day

'We shall never know all the good that a simple smile can do.' - Mother Teresa