

## NEWS FLASH –26<sup>th</sup> FEBRUARY, 2016

### SUGAR

#### Sugar industry representatives meet Jaitley, Rajan on their woes

**The debt burden of the sugar sector has risen four times from Rs 11,000 crore in March 2008 to more than Rs 40,300 crore in March 2015**

Ahead of the Union Budget, the sugar industry in a series of meetings with Finance Minister Arun Jaitley and Reserve Bank of India Governor Raghuram Rajan demanded that long-term financial viability of the sector be ensured and a scheme to restructure outstanding loans be announced.

The representatives asked the government to adopt a report of the Commission for Agriculture Costs and Prices (CACPC) that recommended that the industry pay a price derived based on a revenue sharing formula and if this was lower than the fair and remunerative price (FRP), the difference be transferred directly to farmers' bank accounts.

A scheme on similar lines was adopted this year, where the Centre transferred Rs 4.50 per quintal directly to farmers. The sector wants this scheme to be made permanent in a more structured manner.

Representatives claimed despite improvement in prices and steps taken by the Centre, the sector has not come out of the woods. The sector's debt burden rose four times to around Rs 40,300 crore in March 2015, from Rs 11,000 crore in March 2008.

"We have requested the finance minister and RBI governor to allow the sector permission to restructure loans under the 5:25 flexible structure, currently available for core industries and infrastructure sectors," Tarun Sawhney, president of Indian Sugar Mills Association, said.

The Centre can fund the shortfall from a stabilisation fund, which can be financed by raising cess on excise duty to Rs 200 a quintal or Rs 2 a kg. At present, the Centre levies a cess of Rs 125 a quintal or Rs 1.25 a kg.

"This would be levied only if prices are below a certain threshold limit. If prices stay firm, the cess is not levied," Abinash Verma, ISMA director general, said. Sawhney said any move to raise the cess by Rs 0.75 a kg won't push up prices as almost 70 per cent of India's annual consumption comes from the industrial sector.

Verma said the Centre would earn Rs 4,500 crore a year if the cess is raised to Rs 200 per quintal. Of this, the total outgo on bridging the gap between FRP and revenue-fixed price would be lower.

He said a sub-category could be created under the Sugar Development Fund for the price stabilization fund in which this amount could be deposited.

**(Source-[http://www.business-standard.com/article/economy-policy/sugar-industry-representatives-meet-jaitley-rajan-on-their-woes-116022300448\\_1.html](http://www.business-standard.com/article/economy-policy/sugar-industry-representatives-meet-jaitley-rajan-on-their-woes-116022300448_1.html))**

## COGEN

### BHEL starts 40-mw hydro power unit in West Bengal

State-owned BHEL has successfully commissioned a 40-mw hydro-electric generating unit in West Bengal.

"The unit has been commissioned at the 4×40 mw Teesta Low Dam Hydro Electric Project (HEP) stage-IV in West Bengal," the company said in a statement today. With this, Bharat Heavy Electricals Ltd (BHEL) has commissioned hydro sets totaling 770 mw in the current financial year, it said.

The project is a run-of-the-river greenfield project on the Teesta in Darjeeling district of West Bengal.

The other three units of the project are also at advanced stages of execution and the second unit is expected to be commissioned shortly.

BHEL is also executing 3×40 mw Rammam stage-III hydro-electric project of NTPC in West Bengal.

The estimated annual energy generation of 720 million units from the project will result in significant reduction of green-house gas emissions and will help in achieving a low carbon development path for the state and the country.

(Source-<http://energy.economictimes.indiatimes.com/news/renewable/bhel-starts-40-mw-hydro-power-unit-in-west-bengal/51121427>, published on February 25, 2016)

### **THOUGHT OF THE DAY:**

"The greatest weapon against stress is our ability to choose one thought over another."

-William James

### **HEALTH TIP OF THE DAY:**

Carrying a heavy handbag on your shoulder can throw your body off balance and seriously hamper your posture. A bag you can wear in various positions is the best buy because it means you aren't putting all the pressure in one spot.