

SUGAR

Shrijee institutes “Future Leader” awards for potential leaders in the field of sugar production at NSI

To encourage potential leaders in the field of sugar production, Shrijee has instituted “Shrijee Future Leader” awards at prestigious National Sugar Institute, Kanpur.

These awards are given to outstanding students of first year from sugar technology and sugar engineering disciplines with high leadership quality.

For the years 2015 and 2016, the awards and trophies were handed over to the winners by honorable union minister for Food and Civil Supply Mr. Ram Vilas Paswan on 8th September 2016

(Source- <http://sugarnews.in/shrijee-institutes-future-leader-awards-for-potential-leaders-in-the-field-of-sugar-production-at-nsi/>, published on 9th September, 2016)

Rahul a big draw in Basti, vows to reopen closed sugar mills in state

Congress vice-president Rahul Gandhi's road show in Basti drew crowds in huge numbers.

Gandhi began at 11.40 am on Thursday by paying a floral tribute to late Prime Minister Lal Bahadur Shastri at the historic Shastri Chowk.

The crowd followed Gandhi's cavalcade as it moved towards Company Bagh. People on both sides of the road jostled to shake hands with the leader, who did not disappoint them, despite objections from his security team.

He also accepted a memorandum from the people and gave a cursory glance at it before handing it over to the SPG personnel sitting next to him.

As the cavalcade reached Jawaharlal Nehru Chowk, Rahul got down from the SUV to pay a floral tribute to his great-grandfather and first Prime Minister of India, Jawahar Lal Nehru. Basti is probably the only city in the country which has the statue of Jawahar Lal Nehru riding a horse. Rahul placed a garland on the platform.

As the road show reached Subhash Chowk, also known as Kutchery crossing, Gandhi once again came out of his vehicle to pay tribute to Subhas Chandra Bose. Local Congressmen informed Rahul about a statue of Mahatma Gandhi just a few metres away and the Congress vice-president walked down to the spot to pay respect to the father of the nation.

Meanwhile, at Gonda, Rahul Gandhi assured farmers that all closed sugar mills of the region would be restarted and all pending dues would be cleared if his party formed the next government in UP. He also attacked Prime Minister Narendra Modi for waiving off loans worth Rs 1.1 lakh crore given to industrialists. Interacting with the youths, Rahul asked: “Did you get employment as promised by Modi? Did you get Rs 15 lakh in your bank accounts as promised by the PM?”

(Source-<http://sugarnews.in/rahul-a-big-draw-in-basti-vows-to-reopen-closed-sugar-mills-in-state/>, published on 9th September, 2016)

Collection, delivery of agri-waste for ethanol blending remains a challenge'

Even as Prime Minister Narendra Modi has directed officials to reduce oil imports by 10% by 2022, the ethanol blending programme (EBP) remains a crucial fix to attain this.

As per the government, the blending target of ethanol with petrol has been scaled up to 10% from 5%.

Currently, different units in India are barely meeting the 4% target on blending. This, however, is a significant gain compared to 1-2% that was being achieved in early 2014. Almost all of the 120-odd crore litres of ethanol (for blending with petrol) is gotten from molasses, a waste product from the sugar industry.

Hitting the 5% target only with molasses is quite possible, said Pramod Chaudhari, executive chairman of Pune-based Praj Industries, which is involved in research and development of various processes that converts various raw materials into ethanol.

Chaudhari, however, said due to the vagaries of sugarcane crop the government has to look at other sources of bio-feeds if it has to realise the target of 10%.

"To achieve 10% by 2022, availability of raw materials is required... With molasses, the existing production can be increased to up to 160 crore litres. For more, feed stock other than molasses is being looked into," Chaudhari, who is also the chairman of the bio-energy committee of industry body CII, said.

Given the dispersed nature of agriculture in the country, the collection and distribution of agri-waste is a big challenge. About 80% of Indian farmers are small and marginal farmers holding less than two hectares of land.

"Collection, aggregation and distribution is a big challenge," said Chaudhari, adding, "A NREGA like programme can be introduced to enable collection of agri-waste."

Praj, at its R&D facility in Pune, is working on multi-grain waste products like corn cobs, rice and wheat straw, among others to convert them into ethanol. "The government has realised that producing ethanol from agri-waste will be a little expensive to start with. So they are encouraging the oil and marketing companies to start production in the initial stages," Chaudhari added.

The target of 10% or even slightly higher ethanol blending with petrol (and later diesel), experts say, nicely dovetails with the government's aim to introduce a stringent Bharat Stage – VI emission norm by April 1, 2020.

Praj on its part has also set-up a "green fund," which will provide seed capital, in exchange of stake to entities that are looking to set-up ethanol manufacturing plants based on agri-waste.

Asked why Praj itself does not get into producing ethanol, Chaudhari said, "I am doing my job of optimising processes and doing research."

"The company is looking to finalise at least one contract on agri-waste-based blending plant by the end of the current financial year – which if materialises, Chaudhari said, "It should give us reasonable good benefit so that we can be back (in terms of profitability) to where we were 10 years ago." In the quarter ended June 30, 2016, the company' y-o-y net profit halved to Rs 4.11 crore on income of Rs 205 crore.

(Source-<http://sugarnews.in/collection-delivery-of-agri-waste-for-ethanol-blending-remains-a-challenge/>, published on 9th September, 2016)

Sugar mills want loans recast, stock limits lifted

The sugar industry has urged the Centre to direct the Reserve Bank of India to restructure bank loans of mills, like they were in 2007.

It also sought a review of stock-holding limits on mills and continued excise duty exemption on ethanol for blending with fuel.

A delegation led by former Union Agriculture Minister Sharad Pawar, in a memorandum to Finance Minister Arun Jaitley, said the government's intervention was vital for a sugar industry facing a crisis.

Pawar said ex-mill sugar prices were ruling below the cost of production for three years. The Centre had released soft loans in 2014 and 2015 to allow mills to clear cane arrears to farmers. These loans are now due for repayment.

"This year, it will be difficult with the current sugar sales realisation. After defaulting on loans, these units will be restricted from further financial assistance," Pawar said in the memorandum.

He added the mills needed their loans restructured with a three-year moratorium and seven-year repayment schedule. In 2007, the Centre had restructured similar loans to allow for a 15 year repayment with a five-year moratorium.

Dilip Walse-Patil, chairman of the National Federation of Cooperative Sugar Factories, who was part of the delegation, said, "We requested the continuation of the excise duty exemption on ethanol supplied to oil companies. The government notified the levy on August 10 and it has affected supplies."

The delegation also pressed for withdrawal of the cess of Rs 100 per quintal of sugar imposed in January and a review of the Centre's decision to impose stock-holding limits on mills.

A special package was sought for mills in the drought-affected regions of Maharashtra and Karnataka that are facing a 50 per cent decline in cane supply in the upcoming crushing season.

(Source- <http://sugarnews.in/sugar-mills-want-loans-recast-stock-limits-lifted/>, published on 8th September, 2016)

Centre imposes stock-holding limits on sugar mills

To ensure that sugar mills liquidate their inventories, the central government has imposed stock-holding limits on mills. In a notification issued on Thursday, the Centre said sugar mills should not hold stocks in excess of 37 per cent of their total inventories as on September 30, 2016, while as on October 31, 2016, no mill can have stocks above 24 per cent of total inventories.

Holding sugar in excess of this specification would attract penal action.

Sources said 50-60 sugar mills would be directly impacted by this order as they were holding stocks much more than the specified quantum. "Among these, there are 15-20 mills which are holding stocks in excess of 80 per cent of their available inventories," sources added.

According to unofficial estimates, overall sugar stocks with mills at the end of September 2016 would be 7.3 million tonnes (mt), which could go down to 4.52 mt by the end of October 2016.

The total availability, according to the notification, would have to be calculated on the basis of total opening stock of sugar with the mill as on October 1, 2015 plus the sugar production in the 2015-16 season (October to September) less exports done by the mill during the year.

For example, if a mill had opening stock of 10 mt at the start of 2015-16 season and its production during the year was 5 mt, while it exported 3 mt. The total sugar available with it for calculation of the holding limit would be 12 mt.

Retail sugar prices have been rising in the past few months to reach Rs 40-42 a kg now. According to the government, sugar mills with the help of unscrupulous traders could further push up prices during the festival season, taking advantage of the supply shortage.

To prevent this, the government has unleashed a series of measures such as withdrawal of incentives on export, production of ethanol, and imposition of duty on exports.

India's sugar production is estimated to decline to 25 mt in the 2015-16 season from 28.3 mt in the previous year. The outlook for the next year is also not encouraging as sugar production is pegged lower at 23.26 mt.

However, some industry players feel there would be sufficient sugar stock to meet the domestic demand of 26 mt as the country would have an opening stock of 7 mt.

(Source- http://www.business-standard.com/article/markets/centre-imposes-stock-holding-limits-on-sugar-mills-11609100032_1.html, published on 9th September, 2016)

Sugar mills want loans recast, stock limits lifted

It also appealed to Centre to direct RBI for continuation of exemption of levy on excise duty on ethanol

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(Source- http://www.business-standard.com/article/companies/sugar-mills-want-loans-recast-stock-limits-lifted-116090800815_1.html, published on 8th September, 2016)

Co-gen/Power

Solar power market: Little room for small players under the sun

India's fragmented solar power market is gradually witnessing a build-up of domination by private equity-backed large corporates, with the Adani group putting the largest number of projects in the pipeline and Tata Power leading in rooftop installation.

The shift is indicated by the fact that the top 20 developers account for almost 80 per cent of projects under development. But they account for only 58 per cent of the 8.1GW (Giga Watt) capacity already installed, while the rest is spread among 500 other companies, says a report by global green energy market tracker Mercom Capital

The government has set a target of installing 175 GW solar power capacity by 2022 as part of its overall climate management plan. This is one of the factors encouraging big corporates, which have leveraging capacity to raise cheaper funds, to enter the arena. "In a tough market driven hyper-competitive reverse by hyper-competitive reverse auctions and low margins, large conglomerates with deep pockets and strong balance sheets that can access financing at much lower rates, private equity-backed firms, and international companies with access to cheaper funding abroad are well-positioned to dominate the sector. Other than one-off projects, smaller developers will struggle to grow as financing, low bids, and the policy push towards larger projects will make growth challenging," the report says.

Adani has put projects with a total capacity of 2 GW in the pipeline to capture 11 per cent of the market within two years of entering the sector. ReNew Power, a wind and solar company backed by Goldman Sachs, is right behind with a 10 per cent market share. The remaining pecking order is made up of SunEdison, which is slated for acquisition, with 8.5 per cent market share, ACME 8 per cent, Azure Power 5 per cent, Tata Power 3.8 per cent, Suzlon and Hero Future Energies with 3.7 per cent of the market.

As far as installed capacity goes, Tata Power leads by notching up a 9 per cent share by acquiring Welspun's project portfolio. ACME follows with 7 per cent share, SunEdison 5.5 per cent and Adani 5 per cent.

Tata Power leads the roof top segment with more than 100 MW capacity , even though the market itself is struggling to take off. By all accounts, only 601 MW rooftop solar projects have been installed so far as available incentives have not been enough to move the market forward .

One of the reasons is that even though there is net-metering policy and policy proposals in many states, implementation has been tardy . It takes six to eight months in some states just to process paperwork.

There is no subsidy available for commercial and industrial customers, which make up almost 70 per cent of the rooftop market.

Accelerated depreciation is set to come down to 40 per cent in 2017-18 from the existing 80 per cent. The government's decision to increase solar parks from 20 GW to 40 GW to make up for slow rooftop adoption indicates that the 40 GW rooftop solar goal by 2022 is not rooftop dependent.

(Source- <http://economictimes.indiatimes.com/industry/energy/power/solar-power-market-little-room-for-small-players-under-the-sun/articleshow/54226277.cms>, published on 9th September, 2016)

Quote of the day

'Storms make trees take deeper roots.' - Dolly Parton