

Delayed payments discourage sugar mills

Association Says The State Government Has Defaulted In Payment Of ₹600 Crore

Pankaj Shah | TNN

Lucknow: Chief minister Akhilesh Yadav might be calling upon the sugar mills engaged in co-generation of power to be more efficient, but the fact remains that the sector has remained largely discouraged thanks to the attitude of the state government itself.

According to the records of Sugar Mills Association, the state government has been defaulting on payment of nearly Rs 600 crore towards the sugar mills, which had pumped in nearly 900 Mw into the state grid. And this amount has piled up for the power procured between January and March. UP Power Corporation Limited (UPPCL) sources said that the state government had cleared all the dues till December 2011. However, after that period, the sector has been looking up to the state government for its dues.



Experts point out that the sector holds significance given its vast potential as far as power generation is concerned. According to the data available with the Sugar Mills Association, the 52 sugar mills generated around 19 lakh units of power in the last financial year

Yadav, on Thursday, had stated on the floor of House that the sugar mills in the state have the potential to produce around 2,000 Mw of power. However, as on date, the production is hovering in the range of around 900 Mw.

The 2,000 Mw potential of sugar

mills is quite comparable to what is produced by the thermal power plants, which on an average have been generating power between 2500 Mw and 2700 Mw.

Chairman of UPPCL, Avani Awasthi, said, "We are trying to compensate them and we would do

it gradually." Sources said that the association had raised the issue recently with the state government, and added that the state government cited funds crunch as the main reason behind the delay.

Experts point out that the sector holds significance given its vast potential as far as power generation is concerned. According to the data available with the Sugar Mills Association, the 52 sugar mills generated around 19 lakh units of power in the last financial year. In all, there are 124 sugar mills in the state of which 104 have the potential to produce power from the bagasse.

The average generation has been in the range of around 20 Mw.

However, if all 102 mills are encouraged to

contribute to the state grid then the state will get around 2,000 Mw, the figure which was cited by Akhilesh Yadav on the floor of the House.

Sources said that although the mills are yet to be acknowledged by the state government for the contribution.

"The dues were cleared only till December," said an official in the association. Secretary, UP Sugar Mills Association, Deepak Gupta said that the sector needs a lot of cooperation from the state government. "And we are looking forward to it," he said, while speaking to TOL.

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