



# RICE MILLERS ASSOCIATION TELANGANA STATE

(Regd. No.717 of 2014)

**GANPAA NAGENDRA**

PRESIDENT  
Mob : 98661 44889

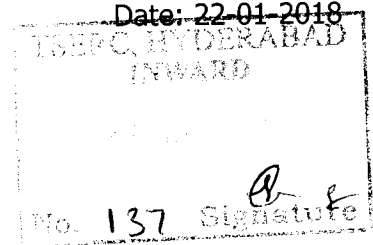
**VADDI MOHAN REDDY**

GENERAL SECRETARY  
Mob : 98480 71616

**T. CHANDRAPAL**

TREASURER  
Mob : 90326 01116

To  
**THE CHAIRMAN,**  
**Telangana State Electricity Regulatory Commission,**  
**Hyderabad.**



Respected Sir,

**Sub: Crisis faced by the Rice Milling Industry in Telangana State – Appeal & Suggestions from the Industry regarding issues relating to Power Tariff and related matters – Request - Reg.**

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We would like to make the following submissions to the Hon'ble Chairman about our rice milling industry in the State of Telangana and the problems being faced by us:-

There are about 2500 Rice Mills in Telangana State, which includes 950 boiled Rice Mills. Such a high concentration of rice mills in one State alone is one-of-its-kind in the entire Country.. The following are some of the major activities of our Rice Milling Industry.

- Providing livelihood to approximately 1,00,000 labours and workers directly and 5,00,000 people indirectly to ancillary industries like rice bran oil extraction plants, logistics, gunny merchants, traders etc.;
- Custom milling of entire paddy purchased by the State Govt. agencies from farmers and delivered to rice millers, and delivering not only raw rice to meet the PDS in our State, but also boiled rice for delivery to Central Pool for PDS in other States;
- Purchase of Sonamasuri paddy from farmers and supplying this rice to the State Civil Supplies Corporation for Welfare Hostels, Mid-Day Meals Schemes, as per directions of state Government;
- Purchase of paddy from farmers and supply of rice to the State pool for PDS, as directed by the Civil Supplies Department;

Thus our rice milling industry is playing a very important and indispensable role for the Government and people of our State.

We humbly submit that over the last 3 years, the para boiled industry in Telangana is facing severe problems with respect to unanticipated and sudden policy changes in rice procurement of the Government. Lack of support from the Central Government in-continuing mill levy, has resulted in closure of many rice mills in the State.

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CHAIRMAN  
No. 9/25/18



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Over 100 rice mills have been dismantled and 300 rice mills have stopped functioning. Approximately another 300 rice mills are on the way to closure. Rest of the units which are currently operating have taken measures to operate at lower capacities and also to decrease their operating costs. Measures taken include temporary suspension of power connections, reduction of energy demand /load to LT category, removing of skilled and unskilled workers etc.

We further humbly submit that our Industry is presently facing very serious problem with regard to High Unit Rate and Demand Charges and the survival of the Industry is threatened. The following are the problems being faced by the para boiled rice milling industry which requires immediate help from the Hon'ble Chairman.

- 1) Unjustifiable removal of HT -1A (Optional Category):** The para boiled industry is essential in our State since it directly processes the paddy produced by the farmers, most of which is fit for parboiling, due to climatic, soil, water supply etc. The existence of this industry is essential for the well being of the farmers.

The Hon'ble Commission had created the HT 1A Optional Category during FY 16-17 which was a boon to the small scale and medium enterprises. However, the Discoms have issued orders to remove the benefit enjoyed under Optional Category when the industries exceed the Demand above 150KVA for two consecutive months in a financial year and to continue to bill such consumers under HT-1A Industry Category.

This is very unfair and unjustifiable since most rice mills were set up long back and any technical issues with motors and other electrical appliances may result in lower power factor and increased consumption beyond the Contracted Demand.

***Appeal:*** We request the Hon'ble Commission to instruct and pass necessary orders such that the Consumers must not be removed from the Optional category though such demand may exceed for atleast 4 consecutive months in a year. If such instances exceed 4 months in a financial year, such consumer may be removed from enjoying the benefits of HT 1A Optional Category.

**Else the Hon'ble Commission may increase the permissible Demand upto 200 KVA from the present 150 KVA.**



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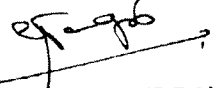
- 2) **Separate Power Tariff for SMEs:-** The Hon'ble Commission is aware that the Small and Medium enterprises act as the real growth-drivers for the nation by generating large employment opportunities and promoting equality of wealth in the society.

***Appeal:*** The Hon'ble Commission may consider sanctioning a separate concessional tariff category for SMEs. The SMEs should be allowed to choose for the regular tariff or the SME tariff. Since majority of consumers belong to SME sector a separate tariff will help SMEs to compete with others from neighbouring States.

The above concessions would definitely strengthen the rice milling industry in the newly created State and to do more service to the farmers and consumers etc., of our State. This is also necessary to supplement the prestigious schemes like Mission Kakatiya and other upcoming Irrigation Projects which are aimed at maximizing paddy production in our State to help the farmers and creation of "Bangaru Telangana".

Thanking you Sir,

Yours faithfully,

  
(G. NAGENDRA)  
President