

SUGAR

Sugar mills owe Rs 6,598 cr to cane farmers

Sugar mills owed Rs 6,598 crore to cane farmers at the end of last month, Parliament was informed today. Out of total outstanding, Rs 5,368 crore pertains to the ongoing 2015-16 marketing year (October-September), while Rs 577 crore relates to 2014-15 and Rs 653 crore for the 2013-14 marketing year and earlier. In a written reply to Rajya Sabha, Minister of State for Food and Consumer Affairs C R Chaudhary provided state-wide details of cane price arrears for the current sugar season 2015-16, 2014-15, 2013-14 and earlier seasons. "Payment of cane price to farmers is a continuous and ongoing process. Thus the number of farmers affected by such overdue payments changes from time to time. Further, the government does not maintain data relating to number of farmers affected by such overdue," he said. In 2015-16, Uttar Pradesh millers have maximum outstanding at Rs 2,877 crore till July 31, followed by Tamil Nadu at Rs 1,030 crore. In Maharashtra, the major producing state, the cane arrears stood at Rs 411 crore, Punjab Rs 226 crore, Uttarakhand Rs 209 crore, Gujarat Rs 203 crore, Haryana Rs 126 crore and Karnataka Rs 108 crore, the data showed.

(Source- http://www.moneycontrol.com/news/business/sugar-mills-owe-rs-6598-cr-to-cane-farmers_7216681.html, published on 7th August, 2016)

Tanzania's sugar imports ban

One of the most controversial issues in Tanzania is the government's recent decision to impose a ban on sugar imports.

There are also plans to increase the price of sugar and to impose higher taxes on the sector, much to the ire of food and drinks manufacturers.

The government says it wants to clamp down on corruption and fake tax receipts being issued, and that it wants to protect Tanzania's own sugar growers.

(Source- <http://www.bbc.com/news/business-36988157>, published on 5th August, 2016)

Presentation made to SEBI regarding Sugar Trading in Futures Exchange

(Source- <http://www.indiansugar.com/IsmaCornerDetails.aspx?Nid=50>, published in ISMA's website)

Co-gen/Power

Indian Railways to plug into National Power Grid

Will source power directly from the latter to cut costs, improve operations

To get reliable power supply and also cut purchase cost, Indian Railways (IR) is mulling options to buy power directly from the national grid. For this, Railways' arm Rail Vikas Nigam Ltd (RVNL) will tie up with Power Grid Corporation of India.

IR is the biggest consumer of electricity, consuming about 18 billion units per year. Currently, it sources power at an average cost of Rs 6-7.5 per unit. Buying power from the grid would help the railways save at least Rs 3 per unit. The spot market price has dipped below Rs 3 per unit. Government officials said it would reap dual benefits for the railways — cost and power reliability.

“We are having a discussion in this regard with Power Grid. The proposal is under consideration,” confirmed A K Kapoor, member electrical, Railway Board. He refused to divulge details.

Power Grid and IR are looking at options – either to form a joint venture (JV) or appoint Power Grid as a contractor. The JV would be formed between RVNL and Power Grid, wherein the latter would construct the system and RVNL would purchase power.

RVNL has a power trading licence and the Railways already directly sources power from Ratnagiri Gas & Power Pvt Ltd (RGPPL) in Maharashtra and Adani Power in Gujarat. Indian Railways would pay the transmission cost to Power Grid as it is the central transmission utility of the country as well.

In the second mode, IR would use the services of Power Grid as an engineering, procurement, construction (EPC) contractor to build and facilitate the system for purchasing power directly from the grid. IR would pay the contract fees to Power Grid and manage the system through RVNL.

The plan is to roll out this direct power purchase in urban electrified routes. It would be on two routes – Delhi-Baruch and Mumbai-Howrah.

“Though it's a bulk consumer, the railways can look at halving the cost of power. More, it would avoid power supply fluctuations which occur due to states succumbing to power cuts and roasting. Unreliable power hurts operations of the national carrier. This would go a long way in improving the efficiency of the railways,” said the official.

Power Grid is also ready to bear the electrification cost in return for sharing the benefits that IR get from lower energy cost, say sources.

IR currently sources power from states and through power plants, paying commercial rates which are usually high.

Power supply from states is dependent on intra-state grid capacity. Power cuts and grid tripping hurt the supply to the Railways as it is not a part of any scheduled power supply.

According to source, if the proposal gets cleared, the JV might also take up railway electrification projects. About 26,269 route kilometres of IR tracks (40 per cent) are now electrified.

When contacted by Business Standard, Power Grid Chairman and Managing Director I S Jha refused to comment, saying the matter was under discussion.

(Source- http://www.business-standard.com/article/economy-policy/indian-railways-to-plug-into-national-power-grid-116080700641_1.html, published on 8th August, 2016)

Coal India to hold e-auction for power plants this month

Coal India (CIL) will this month hold special forward e-auction for power producers, amid government's plans to provide round-the-clock electricity to all.

"Special forward e-auction for 2016—17 for power producer phase III will be held this month," an official said, adding that CIL subsidiaries like Mahanadi Coalfields and Central Coalfields will hold the auctions.

The auctions will be held on August 17, 20, 23 and 24, the official said.

The first phase of the auction was held by the PSU in April while the second phase was held in May.

The Coal Ministry had earlier said power producers being supplied coal through the MoU route by CIL will now have to take it via special e-auction being conducted for the power sector as the government has decided not to extend the pact beyond June 30.

In a communication to Coal India, government said that in order to ensure there is no disruption in coal availability to these plants, the MoU with the plants which expired on March 31, will not be extended beyond June 30, so as to facilitate smooth transition to the special forward e-auction system of the coal PSU.

CIL, a major supplier of coal to the power sector, is also eyeing production of one billion tonnes by 2020.

Coal India's output for this fiscal is fixed at 598 million tonnes.

(Source- <http://www.thehindu.com/business/coal-india-to-hold-eauction-for-power-plants-this-month/article8955502.ece>, published on 7th August, 2016)

Gamesa bags order from SMDPL for wind turbines

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Gamesa would offer a complete turnkey solution with supply of 45 units (90 MW) of G114-2.0MW T 106 turbine in Rajkot, Amreli and Jamnagar districts of Gujarat, a statement from the company said.

"We are delighted to announce the new order. The importance for renewable energy is growing at a robust pace and we are happy to be leading the wind turbine market at the right place and time," Gamesa India CMD Ramesh Kymal said.

Earlier this year, Gamesa signed a 52MW order with SMDPL which entails supply of 26 units of G97-2.0MW T 104 turbine. The project is currently under execution. The total order book size with SMDPL including the new order is now 142MW.

(Source- <http://www.bbc.com/news/business-36988157>, published on 5th August, 2016)

GE to invest \$31 mn in Mytrah wind energy project

GE Energy Financial Services has agreed to invest \$31 million in Mytrah Vayu (Tungabhadra) Private Limited (MVTPL) to support development of 200 MW wind energy project in Andhra Pradesh.

MVTPL, which is a 99.99 per cent subsidiary of Mytrah Energy (India) Private Limited (MEIPL), has entered into a definitive agreement with Guayama P.R. Holdings B.V., an investment vehicle of GE Energy Financial Services.

According to a statement by Mytrah Energy, the India-based renewable focused independent power producer, GE will invest up to 49 per cent of the capital of MVTPL.

"Attracting investment from GE is a huge endorsement of Mytrah's operations and its growing position in India's power market, and we are delighted to have successfully completed this fund raising," said Ravi Kailas, Chairman and CEO, Mytrah Energy Ltd.

"With the Company on track to reach 1000 MW operating capacity by mid-2017, these new funds will help to maintain positive momentum as we enter the next development stage and support the construction of a major power project," he added.

(Source- <http://energy.economictimes.indiatimes.com/news/renewable/ge-to-invest-31-mn-in-mytrah-wind-energy-project/53550503>, published on 5th August, 2016)

Quote of the day

'Disciplining yourself to do what you know is right and important, although difficult, is the highroad to pride, self-esteem, and personal satisfaction.'
-Margaret Thatcher