

### SUGAR

#### **Karnataka: Sugarcane cultivation area reduced in Belagavi due to drought**

Thanks to drought for consecutive two years, sugarcane area has been considerably reduced in Belagavi district this year, especially in Athani and Raibag taluks attached to Maharashtra border.

Compared to 2015, about 14% sugarcane area has been reduced this year. Present sugarcane cultivated area of the district is 1.88 lakh hectares compared to 2.15 lakh hectares of last year. Reduction of around 27,000 hectares sugarcane area is quite unhappy news for competitive sugar industry in the district.

Presently, 22 sugar industries are functioning in the district and most of them have increased their crushing capacity in recent years. Belagavi district is called a sugar bowl of Karnataka for highest cultivation of sugarcane. According to sources of agriculture department, drought and depleted underground water are the main reason for sugarcane area reduction.

Generally, new sugarcane plantation is made in November and December. But it was the time when district was reeling under huge water crises last year, especially the areas on river Krishna belt covering Athani, Raibag and part of Chikkodi taluk. Hence, farmers either dropped or postponed sugarcane plantation. This may slightly affect sugar industry start functioning from September.

However, Venkataramareddy Patil, joint director of agriculture department don't believe any reduction of area. "The farmers who didn't made sugarcane plantation due to drought in the month of November are doing it in June and July. Besides, considerable portion of sugarcane produced in Athani taluk is exported to Maharashtra based factories, hence I don't feel issue of sugarcane area reduction affects existing sugar factories in the district", officer opined.

(Source- <http://sugarnews.in/sugarcane-cultivation-area-reduced-in-belagavi-due-to-drought/>, published on 27th July, 2016)

#### **Centre charts measures to check spurt in prices of pulses, sugar and potato**

The government has charted a series of measures to deal with price rise of essential food items, particularly pulses, sugar and potato.

While it's likely to fix the minimum export price (MEP) for potato to check export of the key kitchen commodity, it has warned sugar industry not to push up prices artificially when they are sitting on a stockpile.

The food ministry has told the industry that it has "sufficient mechanism" to deal with the situation in case prices are jacked up. The warning has come amid trends of sugar prices crossing Rs 40 per kg in recent weeks and there is fear of the prices increasing further during festive season, particularly during Diwali. The state governments have also been asked to enforce the stock limits strictly.

Sources said that during a review meeting on Tuesday cabinet secretary P K Sinha directed both agriculture and consumer affairs ministries to work out a detailed plan for "pulses mission". An official said, "Both the departments have been asked to work together in preparing the plan based on the increasing domestic demand. Issues on how to get more pulses in the buffer stock was also discussed."

Officials said that there are reports of two lakh tonnes of pulses available in Myanmar that private players have contracted to bring to India. Similarly, import of about 50,000 tonnes of pulses from Sudan has been contracted but traders have flagged some problems in importing the item to India.

Meanwhile, the Centre will hold regular interaction with state governments asking them for greater market surveillance and intensifying crack down on hoarders and black-marketers.

(Source- <http://sugarnews.in/centre-charts-measures-to-check-spurt-in-prices-of-pulses-sugar-and-potato/>, published on 26th July, 2016)

## Co-gen/Power

### Coal India's E-auction premium shrinks to a half

Kolkata-based Coal India Ltd (CIL), the world's largest coal miner, may have benefited from higher realizations on spot sales of the fuel through e-auction for years. But not any more. The miner sold coal through e-auction at a price mere 20 per cent more than the notified price in the first quarter ended June – a sharp drop from 40 per cent premium it fetched in the same period last fiscal.

The sharp drop in the premium available on e-auction sales – coupled with a drop in volumes — is attributed to the slump in spot power prices on the back of lacklustre demand for electricity. E-auction was launched by the government in 2005 to ease coal supply for customers in the non-core sectors of cement, fertilizer and sponge iron. The new trend signals how the electronic trading platform, a traditional profit centre for CIL, is now failing to attract customers.

According to fresh data reviewed by ET Energy World, during the quarter ended June, CIL offered 26.3 MT coal to spot consumers but could allocate only 12.3 MT – or 47 per cent – of the quantity, thanks to the depressed demand. This is compared to the same quarter last fiscal when CIL managed to sell 85 per cent of the total quantity on offer. Also, the total number of bidders who participated in the auction in June quarter dropped to 12,881 from 17,577 in the same period last fiscal even as the total quantity on offer was 53 per cent more.

(Source- <http://indianpowersector.com/2016/07/coal-indias-e-auction-premium-shrinks-to-a-half/>, 27th July, 2016)

## Manipur joins UDAY scheme, to get benefits worth Rs 263 crore

Manipur has joined the UDAY scheme meant for revival of debt-stressed power distribution utilities and will get benefits of around Rs 263 crore.

Manipur is the 14th state to join UDAY. It is also the first North Eastern state to opt for UDAY for improving the efficiency of the DISCOM.

The combined DISCOM debt (including CPSU dues) that would be restructured in respect of these states is around Rs 2.16 lakh crore as on September 30, 2015.

"Government of India, Manipur and the DISCOM of Manipur signed Memorandum of Understanding (MOU) under the Scheme UDAY Ujwal DISCOM Assurance Yojana today for operational turnaround of the DISCOM," Power Ministry said in a statement.

The reduction in AT&C losses and transmission losses by Manipur to 15 per cent and 3.20 per cent respectively is likely to bring additional revenue of around Rs 208 crore during the period of turnaround.

(Source- <http://indianpowersector.com/2016/07/manipur-joins-uday-scheme-to-get-benefits-worth-rs-263-crore/>, published on 27th July, 2016)

## Power deficit 0.9% in April-June quarter this fiscal: Goyal

**"As per information given by states/UTs to the Central Electricity Authority, the gap between demand and supply of electricity has been brought down to the lowest ever 2.1 percent during 2015-16 which has further reduced to 0.9 percent during 2016-17 (April-June, 2016)," Power Minister Piyush Goyal said in a written reply to the Rajya Sabha today.**

Overall power deficit during the April-June quarter this fiscal was 0.9 percent while the peak deficit was 2 percent, Parliament was informed today. "As per information given by states/UTs to the Central Electricity Authority, the gap between demand and supply of electricity has been brought down to the lowest ever 2.1 percent during 2015-16 which has further reduced to 0.9 percent during 2016-17 (April-June, 2016)," Power Minister Piyush Goyal said in a written reply to the Rajya Sabha today. According to a statement, against the overall demand of 295.34 billion units in April-June, 292.82 billion units were supplied, a deficit of 0.9 percent. Similarly, 149.97 billion units were supplied against the peak demand of 152.97 billion units, recording a deficit of 2 percent in the period under review. The minister said, "As against capacity addition target of 1,18,537 mw (including 88,537 mw conventional and 30,000 mw renewable) during the 12th Plan, i.e. by 2016-17, about 86,565 mw from conventional sources and about 19,500 mw from renewable sources have been achieved till June 30, 2016." "Construction (target) of 1,07,440 ckm transmission lines and setting up of 2,82,740 mega volt amp (MVA) transformation capacity during the 12th Plan. As against this, 89,813 ckm of transmission lines and 2,66,033 MVA of transformation

capacity have been achieved till June 30, 2016." As per the statement, the highest overall power deficit was recorded at 18.2 percent in Jammu & Kashmir, where 3.6 billion units of electricity was supplied in April-June as against the demand of 4.4 billion units. Jammu & Kashmir has also recorded the highest peak power deficit of 15.2 percent in April-June quarter as 2.1 billion units were supplied against the demand of 2.4 billion units. It is the only state which has recorded overall and peak power deficit percentage in double digits.

(Source- [http://www.moneycontrol.com/news/economy/power-deficit-09april-june-quarter-this-fiscal-goyal\\_7107361.html](http://www.moneycontrol.com/news/economy/power-deficit-09april-june-quarter-this-fiscal-goyal_7107361.html), published on 25th July, 2016)

## **Haryana makes LED mandatory in government buildings**

Haryana government has made it mandatory for all central and state government offices, public sector undertakings, institutions and establishments in the state to use LED (light-emitting diode) lamps.

The directive also applies to electricity consumers in industrial, commercial and institutional sectors having connected load of 30 kilowatt or more.

The decision will save 380 MW of power, said Ankur Gupta, principal secretary, renewable energy.

Gupta said there is potential for 25-60% energy saving if LED lighting systems are used in place of T5 lights or CFLs. The figure would be higher if incandescent bulbs or ordinary tube lights are replaced with LED lights, he said, adding that LED lamps have the advantage of having a longer life, being non-toxic unlike fluorescent lighting that uses mercury.

(Source- <http://indianpowersector.com/2016/07/haryana-makes-led-mandatory-in-government-buildings/>, published on 27th July, 2016)

## **Guj offers to sell Rlys power at low rates**

Gujarat government has offered to sell Indian Railways its surplus electricity for running trains and other related work across the country.

Gujarat's state-owned units currently generate around 1500 MW to 2000 MW electricity which is expected to increase to 4,000 MW in the coming years. The surplus electricity can be supplied to the Railways at economical rates through the national grid.

In 2013-14, the railways paid Rs 10,000 crore for using around 4000 MW electricity across the country. If Gujarat sells its surplus power to the railways, it can be of mutual interest to both.

Gujarat's energy minister Saurabh Patel, on Tuesday, called on Union minister of railways Suresh Prabhu at his office in New Delhi. Patel told TOI on phone that he had discussed the idea with Union railways minister Suresh Prabhu in detail.

(Source- <http://indianpowersector.com/2016/07/guj-offers-to-sell-rlys-power-at-low-rates/>, published on 27th July, 2016)

## **Discoms to pay 10 times fine 'falsely' imposed on consumer for power theft**

The discoms will have to compensate a consumer nearly 10 times the fine they "falsely" impose on him for power theft, the city's power department has said.

Noting a "delay", Chief Minister Arvind Kejriwal today asked the power department to expedite the implementation of the notification which was earlier issued to Delhi Electricity Regulatory Commission (DERC).

According to the notification, DERC will depute senior officials to give requisite permissions required to carry out inspections of discoms wherever cases of power theft and misuse are reported.

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"During examination, if PG (Public Grievance) cell arrives at the conclusion that the theft case was false, the discom will be liable to pay compensation to the affected consumer at 10 times the provisional assessment bill raised by the discom to compensate for the harassment caused to the consumer," it says.

The notification said that many such complaints have been received by various MLAs across Delhi.

"Simultaneously, such cases will also have to be reported with the consumer grievance cell of the Delhi Government. Moreover, only after approvals from the Public Grievance Cell of the Delhi Government, the discoms can send the bill to the consumers for final assessment," an official statement said.

(Source- <http://energy.economictimes.indiatimes.com/news/power/discoms-to-pay-10-times-fine-falsely-imposed-on-consumer-for-power-theft/53408086>, published on 27th July, 2016)

## **Adani Transmission up 40% in a year, can double in 3 years**

Shares of Adani Transmission have already rallied over 40 per cent in last one year and analysts say the stock could double from current level in the next three years on near-doubling of book value, CLSA said in a report.

The global investment bank initiated coverage on the stock with a 'buy' rating and a target price of Rs 55, which translates into a 40 per cent upside from Monday's closing price of Rs 38.55 on the BSE.

Adani Transmission (ATL) is India's largest private transmission company with a regulated business model. It is a key play in the sector which the government opened up recently. The stock price can very well double over the next three years on near-doubling of book-value (BV).

"We like ATL's double-digit book-value (BV) growth on improved regulatory clarity, lower book value and 35 years' annuity from 'AAA' clients with repricing of the upside for its bid projects. The ATL stock could double over three years on a near-doubling BV," the CLSA note said.

(Source- <http://indianpowersector.com/2016/07/adani-transmission-up-40-in-a-year-can-double-in-3-years/>, published on 28th July, 2016)

## **Water supply facilities for Deoghar UMPP could submerge 31 villages: IIT report**

As many as 31 villages could be submerged if water for the proposed power project at Deoghar in Jharkhand is drawn from the Ajay River, as it would require the building of dams, according to an IIT-Roorkee study.

The government is carrying out initial studies to set up a 4,000 MW ultra-mega power plant at Deoghar.

The IIT, which studied the project, has submitted its report to the Central Electricity Authority and the Energy Department of the Government of Jharkhand for consideration. ET has seen a copy of the report.

The project is likely to source coal from the Dhulia (North) coal block in Jharkhand, nearly 120 km away from the site, and water from the Ajay River during non-monsoon months. The coal block also covers 13 villages, residents of which will have to be relocated, the report said.

(Source- <http://indianpowersector.com/2016/07/water-supply-facilities-for-deoghar-umpp-could-submerge-31-villages-iit-report/>, published on 27th July, 2016)

### **Quote of the day**

***'You can't cross the sea merely by standing and staring at the water'.***

**- Rabindranath Tagore**