

SUGAR

Shree Renuka Sugars gains after reorganization of Brazil arm approved

The stock was up 5.6% at Rs 16.90 on the BSE, as compared to 0.14% decline in the S&P BSE Sensex at 10:41 am.

Shree Renuka Sugars has rallied 8% to Rs 17.35 on the BSE after the Assembly of Creditors of Renuka do Brasil S/A (RdB) approved the Reorganization Plan presented by Renuka do Brasil S/A on August 26, 2016. Renuka do Brasil is the largest subsidiary of Shree Renuka Sugars.

The plan approved by the Assembly of Creditors obliges the banks and most of the creditors of RdB (except employees, sugarcane & other essential suppliers and SME suppliers) to settle their debts on receiving 30% of the notified value of debt plus interest from the date of plan approval until the date of payment.

The total bank debt in Renuka do Brasil notified as on the date of filing the Recuperacao Judicial (September 28, 2015) was BRL 2,063 million (Rs 4,301 crore) and other liabilities covered by the above plan are BRL 210.8 million (Rs 440 crore) implying total reduction of liabilities by BRL 1,592 million (Rs 3,319 crore).

The settlement of debt would be funded by sale of one of the mills of RdB (Madhu Mill) with the capacity of 6 million mt cane crushing capacity out of total 10.5 million mt cane crushing capacity in RdB.

Shree Renuka Sugars is not putting any new capital under this plan either as debt or equity. However any shortfall in reaching the target value of 30% (approximately BRL 682.2 million or Rs 1,422 crore) will have to be funded by the shareholders of RdB in cash or by sale of Shree Renuka Sugars controlling stake in RdB, the company said in a press release.

This plan is subject to final approval by the presiding judge as per the Judicial Protection Law, it added.

At 10:41 am, the stock was up 5.6% at Rs 16.90 on the BSE, as compared to 0.14% decline in the S&P BSE Sensex. A combined 9.63 million shares changed hands on the counter on the BSE and NSE.

(Source- http://www.business-standard.com/article/markets/shree-renuka-sugars-gains-as-brazil-unit-reorganization-approved-116082900192_1.html, published on 29th August, 2016)

Co-gen/Power

Despite order, power companies not using treated waste water

Even though the Union ministry of power has made it mandatory for power plants situated within 50km radius of a municipal corporation to use treated waste water, not many power companies are following the directive. At present, only five power plants in the state are either using treated waste water or are in the process of doing so.

The notification in this regard was issued in January this year, but other power plants are not taking any steps to follow it.

Power generation officials say that the main reason for reluctance to use treated waste water was its cost. "Treated waste water is minimum four times costlier than raw water. If we start using treated water then cost of power generation will go up and MSEDCL will stop buying our power," a Mahagenco official told TOI.

The official further said that Koradi plant's new units were using treated waste water and there were plans to use Nanded's waste water for the water-starved Parli power plant. "Parli plant is closed since last almost three years due to water shortage. Even then, we are not very keen on using Nanded water because it will sharply increase cost of power," he added.

Three more power plants of Mahagenco — Khaparkheda, Chandrapur and Paras — fall within 50km radius of a municipal corporation and should use treated water, but the company has no plans for the same.

RattanIndia, whose Amravati power plant is about 20km from the city, should also use waste water but no steps are being taken to meet the requirement. A senior official of RattanIndia said that Amravati was not a big city and the sewage generated by it was not enough to meet the plant's requirement.

A source in the water recycling industry said that power companies were not considering the larger picture. "Over 20% diseases in the country spread due to polluted water. The country spends 10,000 crore every year on treating these diseases," he said.

"Power plants are not using treated water because they get raw water at a negligible cost. If you construct a new dam for a power plant then the cost of raw water will be 60 per cubic metre. On the other hand, treated water costs only about 25 per cubic metre. However, raw water is subsidized by the government making it cheaper than treated water," he added.

Environmentalist Sudhir Paliwal said that sooner or later power companies will have to fall in line. "The ministry of environment and forests has put restrictions on use of raw water by power units and now generation companies will have to use waste water to bridge the deficit," he added.

(Source-<http://timesofindia.indiatimes.com/city/nagpur/Despite-order-power-companies-not-using-treated-waste-water/articleshow/53902631.cms>, published on 29th August, 2016)

V O C Port inks pact with SECI to set up 5 MW solar plant

The V O Chidambaranar Port has inked a Memorandum of Understanding with Solar Energy Corporation of India (SECI) to install a 5 MW solar power plant. The plant, estimated to cost Rs 30 crore, would be of the direct grid connect type and will be set up under Power Purchase mode. It is expected to be completed by March, 2017. The expected annual power generation would be 7.5 million units. Reduction of carbon emission from the project will be 8,025 Metric Tonnes per year, a release from the port said, adding the project is a milestone from the environmental aspect as it would generate pollution-free power. The power would be fully utilised by the port, it said. The MoU was signed on Aug 24 by Port Chairman S Anantha Chandra Bose and Ashvini Kumar, SECI Managing Director, in the presence of Upendra Tripathy, Secretary to the Government of India, Ministry of New & Renewable Energy. The release said that as part of Green Port initiative, it has already commissioned a 100 KW solar power plant at the port's administrative building on August 14. The annual power generation from this plant is 1.70 lakh units. Another 400 KW Solar power plant is under installation on various buildings of the port and is expected to be commissioned in October, 2016, generating 6.80 lakh units per year, the release said.

(Source- <http://indianpowersector.com/2016/08/v-o-c-port-inks-pact-with-seci-to-set-up-5-mw-solar-plant/>, published on 29th August, 2016)

HC notice to MP govt on power woes endangering infants' lives

The PIL filed by social activist Sushil Levi claimed that MPUVN reduced the battery power bank capacity of the solar power plants installed at seven primary health and community health centres

The Madhya Pradesh high court has issued notices to the state government and its power development corporation seeking their response to a PIL which claimed poor quality solar power plants installed at some health care centres were endangering the lives of infants.

The PIL filed by social activist Sushil Levi claimed that Madhya Pradesh Urja Vikas Nigam (MPUVN)--the nodal agency under the state government to implement new and renewable energy related initiatives--reduced the battery power bank capacity of the solar power plants installed at seven primary health and community health centres in Vidisha district.

He has cited media reports to claim that poor power backup and low battery power of the solar plants had resulted in death of newborns in these institutions.

The high court recently issued notices and the matter is likely to be heard early next month.

Levi has also sought action against officials of the MPUVN for allegedly reducing the battery power.

(Source- <http://energy.economictimes.indiatimes.com/news/renewable/hc-notice-to-mp-govt-on-power-woes-endangering-infants-lives/53902401>, published on 29th August, 2016)

Govt to set up Rs 1.5k-cr security fund for solar projects

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Government is in the process of setting up a Rs 1,500-crore fund to avoid delays in releasing viability gap funding (VGF) to solar power developers under the Jawaharlal Nehru National Solar Mission (JNNSM). "State-run Solar Energy Corporation of India (SECI) will set up a Rs 1,500 crore payment security mechanism (PSM) to ensure timely payment of VGF to the developers of solar power capacities under the JNNSM," a senior official said. The official further said, "This fund will have a corpus to cover three months payment for the various VGF schemes approved by Ministry of New & Renewable Energy (MNRE) from time to time." The fund is significant as the government has set the target of adding 100GW of solar power by 2022. The fund will also cover delays/defaults in payments to SECI by entities (discoms/state utilities/bulk consumers), so that timely payment to developers could be ensured. It will provide support to SECI to meet financial implications on account of regulatory/policy/legal/evacuation/ open access requirements, not foreseen at the time of approval of the schemes as well as difficulties arising during implementation of power purchase agreement or power service agreement or VGF securitisation. SECI will open a separate flexi bank account to create and operate the fund. It will also be responsible to make the payments within scheduled timeframe as per the power purchase agreement. Government introduced VGF mechanism while implementing JNNSM Phase II, wherein solar projects developers are selected through transparent competitive process to supply power at a pre-determined tariff. First scheme under VGF mode for 750 MW capacity has already been implemented. The ministry implemented second scheme for setting up of 2000 MW of grid connected solar PV projects in August last year. Another scheme for 5000 MW through VGF support was sanctioned in February this year. Besides these schemes, the ministry has also sanctioned several other schemes under VGF mode like solarisation of Indo-Pak Border and special scheme for high visibility areas. The fund will also cover other solar energy schemes approved by the Ministry in coming days.

(Source- http://www.moneycontrol.com/news/current-affairs/govt-to-setrs-15k-cr-security-fund-for-solar-projects_7355921.html?utm_source=ref_article, published 28th August, 2016)

Quote of the day

'Whatever there be of progress in life comes not through adaptation but through daring.'

- Henry Miller