ONGC News as on 09 August 2023 (Print)

Publication : Business Standard	Editions : Mumbai
Date :9 August 2023	Page : 6

Oil India profit rises 4% as petro products revenue slides

In the first quarter of FY24, Oil India Limited (OIL) saw its consolidated net profit rise by 3.7 per cent to ₹1,613.4 crore, up from ₹1,555.5 crore in the corresponding period of FY23. In the latest quarter, the revenue from operations of the national oil exploration and production firm dwindled by 22 per cent to ₹4,644 crore, compared to ₹5,964 crore in the same quarter of the previous year. However, a 26 per cent fall in expenses helped the firm register an overall rise in profits. This is mainly attributed to lower earnings across major sectors. **BS REPORTER**

Publication : Hindustan Times	Editions : New Delhi
Date :9 August 2023	Page : 2

India sees bigger Indo-Pacific role to counter China

Rezaul H Laskar
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NEW DELHI: From sending two warships on a voyage of more than 5,500 nautical miles for a visit to Papua New Guinea to backing the Philippines in a territorial dispute with China, India has in recent weeks signalled a larger role for itself in the Indo-Pacific.

India has also gifted an active duty missile corvette to Vietnam, another Southeast Asian country involved in a long-standing territorial dispute with China, and sent two military aircraft to Australia's Cocos Keeling Islands for exercises aimed at enhancing interoperability between the armed forces of the two nations.

People familiar with the matter said diplomatic circles in Papua New Guinea were surprised when a reception held aboard INS Sahyadri, a multi-role frigate, and INS Kolkata, a guided-missile destroyer, at Port Moresby on August 3 was attended by Prime Minister James Marape and almost the entire cabinet. Similar receptions aboard other foreign warships were usually attended by only the defence minister or other officials, the people said.

The visit of the warships followed a trip to Port Moresby in May by PM Narendra Modi for a summit of the Forum for India-Pacific Islands Cooperation (FIPIC).

On July 22, the Indian Navy chief, Admiral R Hari Kumar, presided over the ceremony where the missile corvette INS Kirpan was gifted to Vietnam.

This was the first time India provided a fully operational warship with its weapons complement to a friendly country, especially one whose maritime forces have repeatedly engaged in face-offs with Chinese vessels in the South China Sea. Kumar hoped the Vietnam Navy would use the warship to "safeguard their national maritime interests, contribute to regional security and foster peace and stability".

Earlier India only acknowledged the Permanent Court of Arbitration's ruling of 2016 in favour of the Philippines in its territorial dispute with China in the South China Sea. But a statement issued after a meeting between external affairs minister S Jaishankar and his Filipino counterpart Enrique Manalo in New Delhi on June 29 made it clear the Indian side had revised its position.

The two sides emphasised the need to peacefully resolve disputes and to adhere to international law, especially UNCLOS and the "2016 Arbitral Award on the South China Sea", which China hasn't accepted.

One of the people cited above said the Pacific Island states and Southeast Asian countries are looking to India as a balancing factor amid growing contestation between China and the US in the Indo-Pacific. "Some Pacific Island states, such as Solomon Islands, have thrown in their lot with China but others like Papua New Guinea don't want to get caught between the two elephants," the person said.

In a recent article, David Brewster and Samuel Bashfield of the Australia India Institute said the visit by an Indian Dornier maritime patrol aircraft and a C-130 Hercules transport aircraft to the Cocos Keeling Islands in July elevates the islands as a "staging point for Australian and Indian air surveillance of the maritime choke points through Southeast Asia and the entire eastern Indian Ocean".

The two warships that visited Papua New Guinea will sail to Australia for the Malabar exercise, which will begin on August 11 and feature the navies of all Quad member states. This exercise is being hosted by Australia for the first time at a time when the Quad, which also includes India, Japan and the US, has launched initiatives in areas ranging from maritime security to critical technologies to counter China's assertive behaviour across the region.

Former navy chief Admiral (retired) Arun Prakash said some of the steps taken by India may be symbolic, but are important gestures which "should have been made many years ago". A compact force such as the Indian Navy doesn't have the assets needed for prolonged deployments in areas such as the Pacific Ocean, though it is crucial to reach out to such countries, he said. "We are part of the Quad, which expects us to reach out to these countries. We have gifted a warship to Vietnam and a submarine to Myanmar. These steps are meant to wean them away from China and to reassure them that they have friends," Prakash said.

He pointed out almost half of India's seaborne trade heads towards the Pacific Ocean, while ONGC Videsh Ltd has oil exploration interests in a Vietnamese block in the contested South China Sea. At the same time, China, with its so-called "string of pearls" approach, has been building a network of military and commercial facilities that includes Hambantota port in Sri Lanka, an overseas military base in Djibouti and a new naval base in Cambodia.

"India needs to safeguard its own interests and it's never too late to make these symbolic gestures," Prakash said.

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Indian Oil Chairman SM Vaidya gets rare tenure extension of 1 year

MPOST BUREAU

NEW DELHI: The government has given a one-year post-retirement extension to Indian Oil Corporation (IOC) chairman Shrikant Madhav Vaidya — a rare event for anyone on board of a state-owned company.

"The Appointments Committee of the Cabinet (ACC) approved the proposal of the Ministry of Petroleum and Natural Gas for re-employment on a contract basis of Shri Shrikant Madhav Vaidya, Chairman, Indian Oil Corporation Limited (IOCL) for a period of one year beyond the date of his superannuation ie with effect from September 1, 2023, till August 31, 2024, or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest," an Continued on P8

Publication : Millennium Post	Editions : New Delhi
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SM Vaidya

official order dated August 4 said. Vaidya, who took over as chairman of IOC on July 1, 2020, turned 60 on Monday and as per the rules was to superannuate from service at the end of the month. But now, he will continue for one more year as the head of India's largest oil company.

This is one of the very rare occasions when a director on the board of a PSU has been given an extension of service beyond his retirement age.

No chairman of a Maharatna PSU has been given an extension beyond 60 years in recent years. In fact, the government had earlier this year denied Ranjan Kumar Mohapatra an eight-month extension as director (human resources) of IOC till his superannuation age.

The oil ministry recommended an extension of service for Vaidya after government headhunter PESB in May did not make any recommendation for the next chairman of IOC after interviewing 10 candidates including Chennai Petroleum Corporation Ltd (CPCL) managing director Arvind Kumar.

After the interview, PESB in an order on May 16 stated: "The Board did not recommend any candidate and advised the Ministry of Petroleum and Natural Gas to take an appropriate course of further action including search-cum-selection committee or as deemed appropriate for the selection with the approval of the competent authority." This is the second instance in recent months where PESB did not find a suitable candidate for the top job at blue chip oil companies and retired personnel were given charge.

On June 3, 2021, PESB did not find anyone suitable from nine candidates, including two serving IAS officers, to head ONGC.

The ministry thereafter constituted a search-cum-selection panel and named Arun Kumar Singh, who had retired after attaining 60 years of age from Bharat Petroleum Corporation Ltd (BPCL), to head ONGC. Singh wasn't eligible to apply in the first place but the changed rules made him eligible.

PESB in May interviewed 10 candidates to replace Vaidya. No existing directors of IOC applied as none had the requisite two years of service left before retirement. Of the six directors, only director (marketing) Satish Kumar Vaduguri had a maximum tenure of 23 months before he retires in July 2025.

Besides Vaduguri, the IOC board has only two other directors — Sukla Mistry for refineries and Sujoy Choudhury for planning and business development.

The posts of director (finance) and director (human resources) are vacant for months and Director (research and development) S S V Ramakumar and director (pipelines) D S Nanaware retired in the last couple of months.

IOC refines crude oil into products like petrol, diesel, liquid petroleum gas (LPG), and aviation turbine fuels. It also makes petrochemicals and retails CNG.

Besides being the backbone of Indian fuel supplies, IOC is pivoting India's energy transition — the shift from fossil-based systems of energy production and consumption — including oil, natural gas, and coal, to renewable energy sources like wind and solar, as well as lithium-ion batteries.

IOC owns and operates 10 oil refineries with a combined capacity of 80.6 million tonnes, making up for almost a third of India's 251.2 million tonnes of refining capacity. It also owns 36,285 petrol pumps out of 86,855 pumps in the country. Besides, it owns half of the nation's 25,386 LPG distributors. It runs 131 out of 283 aviation fuel stations in the country.

Mohapatra was appointed director (HR) of IOC in February 2018 for an initial five-year term which was extendable till he attains the superannuation age of 60 years. Born on January 1, 1964, he would have attained the superannuation age on December 31, 2023. His five-year term ended on February 18 this year but he continued as a director on the company board in the absence of any advice on his extension.

The Oil Ministry subsequently told IOC that Mohapatra is not been given an extension till 60 years of age. WITH AGENCY INPUTS

Publication : Millennium Post	Editions : New Delhi
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Major Indian cos ascend in 2023 Fortune Global 500 rankings

ONGC has leaped an astounding 32 places, securing an impressive 158th position in the global standings

OUR CORRESPONDENT

NEW DELHI: In a remarkable display of growth and resilience, several Indian companies have made their mark in the esteemed 2023 edition of the Fortune Global 500 rankings.

The highly anticipated list, renowned for showcasing the world's most influential enterprises, boasts a notable presence of Indian businesses, further emphasising their global significance.

A standout achiever in this year's rankings is the esteemed Oil and Natural Gas Corporation (ONGC), a Maharatna energy giant.

ONGC has leaped an astounding 32 places, securing an impressive 158th position in the global standings. This advancement marks a remarkable progression from its previous placement at 190th in 2022.

Notably, ONGC's revenue has experienced a staggering growth of 41.6 per cent, soaring from $65,962 million to $78,746 million during the review period. The corporation's achievement is further underscored by its commendable efforts in reversing the declining trend in domestic crude oil production.

> Mukesh Ambani's Reliance Industries jumped sixteen positions to 88th rank in the Fortune Global 500 list, reaffirming its stature as a global powerhouse

Mukesh Ambani's Reliance Industries continues to shine on the international stage, elevating its standing by an impressive sixteen positions. Reliance Industries now proudly holds the 88th rank in the Fortune Global 500 list, reaffirming its stature as a global powerhouse.

Equally noteworthy is the ascent of the Indian Oil Corporation (IOC), a state-owned entity, which has surged a remarkable 48 places to attain the coveted 94th rank. This achievement reflects the corporation's unwavering commitment and strategic growth initiatives.

Among other notable entrants in this year's rankings, the Life Insurance Corporation (LIC) of India has slipped nine places to secure the 107th position. Despite the decline, it is worth mentioning that LIC made its debut in the Fortune Global 500 list only in 2022, signifying its swift rise to prominence.

Tata Motors, a pioneering force in the automotive sector, has surged forward by 33 places, now standing proudly at number 337.

Similarly, Rajesh Exports has soared an impressive 84 spots to hold the 353rd position, showcasing its significant progress.

With these remarkable achievements, Indian corporations have once again demonstrated their capacity for growth, innovation, and adaptability on the global stage.

As they continue to evolve and expand their influence, these businesses serve as beacons of success and inspiration for the entire corporate landscape.

The Indian presence within the Fortune Global 500 rankings stands as a testament to the nation's dynamic economic growth and unwavering determination in the face of challenges.

Publication : Millennium Post	Editions : New Delhi
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Oil India's PAT rises 3.7% to ₹1,613.43 cr in Q1 FY24

NEW DELHI: Oil India Limited (OIL), accorded Maharatna status recently by the Government of India, posted a rise of 3.7 per cent in its Profit after Tax (PAT) in the first quarter of FY2023-24 at Rs 1,613.43 crore against Rs 1,555.49 crore in first quarter of last fiscal.

The growth comes on the strength of a 5.3 per cent growth in its crude oil production to 0.820 MMT in Q1 of FY 2023-24 vis-a-vis 0.729 MMT produced in Q1 of FY23, coupled with lower operating costs.

The Earnings Per Share (EPS) for the period ended 30th June 2023 has increased to Rs 14.88/share as compared to Rs 14.34/share in the previous comparative period, while, the EBITDA margin for the period ended June 30, June 2023 has increased to 53.49 per cent as compared to 44.76 per cent in the previous comparative period, an increase of 19.51 per cent.

Oil India Board, in its 545th Board Meeting held on August 8, 2023, approved the first quarter of current fiscal results for period ending June 30, 2023. MPOST

Publication : Mint	Editions : New Delhi
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Oil India's Q1 profit rises 4% to ₹1,613 cr

A 26.5% fall in Oil India expenses outweighed a 22% slump in revenue. BLOOMBERG

Oil India reported a marginal rise in first-quarter profit on Tuesday as a fall in expenses offset a dip in revenue on the back of a drop in crude prices.

The oil explorer's profit rose 4% to ₹1,613 crore for the quarter ended 30 June from a year earlier.

A 26.5% fall in Oil India's total expenses outweighed a 22% slump in revenue. Crude oil prices dropped more than 43% in the June quarter, from a peak last year.

Oil India's profit fell nearly 10% from the last quarter after the government slashed gas prices in April.

The government had cut gas prices and set a ceiling to help industrial buyers and city gas distributors.

More than 80% of India's yearly gas output of 91 billion cubic metres comes from old fields owned by the government-run Oil and Natural Gas Corporation and Oil India.

Profit before tax and interest from Oil India natural gas segment rose nearly 88% year-on-year but fell about 25% sequentially.

Oil India's shares, which are up 31.4% so far this year, closed 0.3% higher ahead of the results. REUTERS

Publication : Deccan Chronicle	Editions : Chennai
Date :9 August 2023	Page : 10

NTPC ARM WINS BID FOR 80 MW SOLAR PROJECT

New Delhi, Aug. 8: NTPC Renewable Energy Ltd on Tuesday emerged as the successful bidder for an 80-megawatt floating solar project at Khandwa in Madhya Pradesh.

The energy generated from the project will be supplied to Madhya Pradesh discoms, NTPC said in a statement. NTPC Renewable Energy is a subsidiary of power producer NTPC.

"The bidding was conducted on August 8 by Rewa Ultra Mega Solar Limited, a joint venture of Solar Energy Corporation of India and MP Urja Vikas Nigam Ltd. The discovered tariff is ₹3.80/kWh," it said.

NTPC Group has 3.3 GW renewable energy (RE) operational capacity, while another 20 GW RE capacity is in the pipeline, including 4 GW energy storage system and green hydrogen-based piped natural gas blending project. NTPC aims to achieve 60 GW of RE capacity by 2032.

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Tata Power, Maha govt to develop 2,800 MW projects for ₹13,000 cr

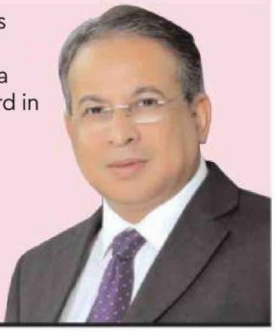
RAJESH KURUP
Mumbai, August 8

TATA POWER HAS signed an agreement with the Maharashtra government to develop two large pumped hydro storage projects (PSPs) with a combined capacity of 2,800 megawatts (MW). The projects entail an estimated investment of about ₹13,000 crore.

The projects would come up in Shirawta, Pune (1800 MW) and Bhivpuri, Raigad (1000 MW).

"The signing of this Memorandum of Understanding is a major step forward in the Tata Power's journey towards clean and green energy future. Pumped Hydro Storage is a reliable and efficient way to store energy, and these projects will support the renewable solar and wind projects to ensure reliable, 24/7 consistent power supply," Tata Power CEO & MD Praveer Sinha said.

> The signing of this memorandum of understanding is a major step forward in the Tata Power's journey towards clean and green energy future.
>
> **PRAVEER SINHA,**
> CEO & MD,
> TATA POWER



These projects are set to support Maharashtra's and country's energy landscape, leveraging the kinetic energy of water to create a stable and reliable power supply. During times of excess energy, water will be pumped from lower reservoir to higher reservoir, and during peak demand, the stored water will power turbines, thereby generating electricity.

This initiative will significantly enhance energy security by providing peaking and continuous power supply along with other renewables such as solar and wind. With the setting up of 2800 MW pumped hydro capacity, these projects will significantly contribute to cleaner capacity addition in the country.

The projects will support Maharashtra Government's goal of achieving a $1 trillion economy by 2028 and generate employment for over 6,000 people, it said. Tata Power operates three hydro power projects - Khopoli Hydro Generating Station, Bhivpuri Hydro Generating Station and Bhira Hydro Generating Station that includes 150 MW Pumped Storage Hydro project – in the Western Ghats.

Tata Power's initiative of clean energy adoption is an effort to contribute to a greener future. This MoU ensures grid stability, seamless integration of renewable sources, and a lasting impact on the energy landscape, it added.

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'EESL may take legal action to recover street light dues'

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State-run Energy Efficiency Services Ltd (EESL) is exploring various options, including legal action, to recover dues from urban local bodies (ULBs) across states under the Street Lighting National Programme (SLNP). EESL is in talks with states and municipalities and looking at all possible amicable steps to recover the dues, chief executive Vishal Kapoor said in an interview. Besides, the company has sent notices to ULBs urging them to settle the dues. In case they fail, EESL will stop setting up street lights, Kapoor said, adding that a few ULBs have started paying their dues. EESL's FY23 financial results showed that its trade receivables, primarily comprising dues from government bodies, stood at ₹4,152.47 crore as of 31 March. Kapoor said the company is planning a business overhaul. *Edited excerpts:*

INTERVIEW

What is the current status of dues, and what actions are you contemplating?

On the recovery front, I think we are extremely happy that we're getting so much of support from the government...both the ministry of power, and the ministry of housing and urban affairs. They are working on making some kind of a mechanism, by which states do a central payment to EESL on behalf of ULBs. A lot of it is already happening in some states. Also, looking at what could be the big incentives and disincentives given to states by which the money starts coming back. That is about government action.

On our part, we are making big outreach to states. My team members, my state officers and I are reaching out to ULBs, and in some instances we have also issued notices. In some cases we have told them that if payments are not made then we will have to look at amicable ways of exiting.

We have been getting good traction from some states. There are accounts that were not moving at all for last three or four years. All the states have similar problems. Obviously states have their own fiscal situations, but we are very happy that a big chunk of money came back in July and we expect more.

There are some states where problems still exist. We are looking at all means, including legal measures, to see if it's a completely non-moving (account), or exploring other, amicable ways.

We will be happy even if the payment starts coming in chunks, and it actually comes in chunks. Some ULBs do pay in part, once in a while, here and there, but most payment is also coming from state governments.

How do you plan to finance your growth, going ahead?

Right now, we have taken some consultants on board and in association with them, we are charting a full-fledged business plan for all verticals. We are seeing how we can defray costs, ring-fence earlier projects and go ahead with new ones. So, we are kind of ring-fencing the older projects, which have some problems, so that they can be dealt with through a separate strategy (that will not affect other project).

> Obviously states have their own fiscal situations, but we are very happy that a big chunk of money came back in July.
>
> **Vishal Kapoor**
> CEO, EESL

As a corporate, we have imperatives of ensuring that legacy dues and or other challenges do not come in the way of our expansion plans.

That is the most sensible strategy to go ahead with. Business plans that are being made right now are very robust, taking the learnings of the past both in trading and in the ESCO (energy services company). We are standardizing our business plans, procurement strategies, as well as client agreements or interface. We're trying to look closely at our business strategy, including pricing. As we are in the sustainability business, our sustainability is also important. At the same time, we believe in shareholder value creation, and we ensure adequate public value is created.

Will you look at more tie-ups with state governments?

Yes, obviously. Generally, in street lighting, a lot of it has got saturated. It's not like the old times when there were no street lights. And they were all seven-year contracts. So, while we'll be definitely taking this forward, I believe EESL's work as a government company is not only to sustain itself but also to ensure that new things keep coming up.

Gradually, we'll also diversify our client-base. At present, 80-85% of my clients are ULBs or discoms. Institutionally, public sector entities are also there. But now that must increase and different types of PSUs should come in, given that ultimately, diversification of products and client-base will be a good derisking strategy. Probably, then we will look at the cooling space such as banks and ATMs. Ultimately cooling is an area we are very interested in. Because India Cooling Action Plan is in place, we estimate 60% of additional demand to come from cooling spaces in the future.

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Centre weighs resuming rice supplies to ethanol makers

Move comes amid worries that the government may fail to reach its ethanol blending target

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The government is considering resuming rice supplies for ethanol production, worried that it might miss production targets amid a shut-down by ethanol distilleries, two government officials aware of the matter said.

The move comes in spite of criticism, sparked by the Karnataka assembly elections, over a mismatch in rice prices—it's cheaper for making ethanol than for human consumption.

After the May elections, the Centre stopped supplying subsidized rice to state governments, putting these stocks for open market sales instead. But these found no takers after prices zoomed, prompting the Centre to order the Food Corporation of India to halt rice supplies for ethanol production last month.

This disruption in rice supply to distilleries for ethanol production has reportedly led to a temporary shutdown of a few units.

Ethanol is made from sugarcane but also from grains, mostly rice. While sugarcane juice and an intermediate product called 'B-molasses' account for about 80% of the ethanol produced in India, rice has a share of nearly 18%.

One of the officials cited above said, "As the government stopped supplying rice to Karnataka due to political reasons, criticism was being received. If rice was not being given for human consumption, why give it for fuel? This was the reason why FCI halted rice supply for ethanol production."

₹2 k
per quintal price of rice since Dec 2020 for distilleries

"The government is thinking to resume rice supply. It is expected to take a final call in a fortnight or so because the fuel policy is of great interest to the government."

The Centre has a target of 20% blending of ethanol in India's fuel mix by 2025. Two factors are driving the push for rice—the temporary shut-down by distilleries and the fact that India cannot produce ethanol from sugarcane alone because there isn't enough of the crop around.

The Centre in March 2020 decided to supply FCI-held rice to distilleries for producing ethanol at ₹2,250 per quintal under the open market system. It lowered this to ₹2,000 per quintal in December 2020, and has continued supplying at the same price.

2.4 mt
rice sent to ethanol makers since Dec 2020

FCI, on the other hand, is offering rice to the open market for human consumption at ₹3,100 per quintal. This is because the price of rice supplied for ethanol is lower than the cost incurred by FCI in procuring and storing. The artificially low price is aimed at encouraging sugar mills and distilleries to enhance their distillation capacities and help the government achieve its 2025 target.

The FCI has supplied over 2.4 million tonnes of rice to ethanol makers since December 2020, including 1.3 mt up to 10 July in the 2022-23 'ethanol year', minister of state for consumer affairs, food and public distribution Sadhvi Niranjan Jyoti told the Lok Sabha on 26 July.

FCI, the government's grain procuring agency, aims to sell 3.4 mt rice to ethanol makers in the ongoing ethanol year ending October. But if distilleries, especially grain-based ones do not operate in August-October due to FCI rice supply disruption, there could be a fall in blending.

Queries sent to the food and public distribution ministry and FCI remained unanswered till press time.

Meawhile, the Indian Sugar Mills' Association (ISMA) on 1 August requested the government to increase the price of ethanol extracted from sugarcane to ₹69.85 per litre from the current ₹65.60, arguing better returns are needed to boost supply and meet this year's blending target of 12%.

ISMA says 12 billion litres of ethanol will be needed to hit 20% blending in petrol by 2025, of which around 4 billion litres was contracted this ethanol year. Oil marketing companies had achieved 11.77% blending by 23 June, since the beginning of the ethanol season in December.

Transition strategy

Ethanol is made from sugarcane but also from grains, mostly rice. Disruption in rice supply to distilleries reportedly led to a temporary shutdown of a few units.

Ethanol supplied to oil marketing companies over the years (million litres)

Supply year (Dec-Nov)	C-Heavy molasses	B-Heavy molasses	Sugarcane juice	Surplus rice	Damaged grains	Total
2020-21	389.6	1,827.1	391.7	19	392.6	3,020
2021-22	108.4	2,649.3	854.2	485.6	238.5	4,336
2022-23*	64.9	12,414.7	1,437.8	1,434.3	238	5,590.8#
2022-23**	38.5	1,584.6	1,225.9	575.9	83.1	3,511.6

*Finalized quantity; **Supplied/lifted quantity till 9 July 2023; #Includes 1.1 million litres from maize

Source: Indian Sugar Mills Association

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Tata Power plans pumped storage projects for ₹13K cr

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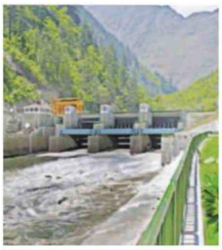
Tata Power, the energy generation and distribution arm of the $300 billion Tata Group, has partnered with the Maharashtra government to establish two pumped hydro storage projects (PSPs) in the state, with a combined capacity of 2,800 MW.

Tata's initiative follows the move of rival, Adani Electricity Mumbai Ltd, which signed an agreement with the Mumbai Metropolitan Region Development Authority, a state government entity, seven months ago to supply electricity for the two upcoming Metro railway routes in Mumbai.

PSPs utilize water's kinetic energy to create a stable power supply. During periods of surplus energy, water is typically transferred from a lower reservoir to a higher chamber. During peak demand, stored water drives power turbines, generating electricity.

According to the arrangement, the Tata projects involve an investment of about ₹13,000 crore. Its initiatives include a 1,800 MW plant in Pune's Shirawata, and a 1,000 MW unit at Bhivpuri in Raigad district.



PSPs use water's kinetic energy to create a stable power supply.

"The collaboration is likely to create over 6,000 jobs and help Maharashtra achieve its target of becoming a $1-trillion economy by 2028," the firm said in a filing with exchanges. "Signing of MoU is a major step forward in Tata Power's journey towards a clean and green energy future," Praveer Sinha, chief executive and managing director, Tata Power, said.

PSP is both a dependable as well as an effective solution for energy storage, ensuring consistent 24/7 power supply, said Sinha. Tatas have an installed capacity of 14,110 MW, out of which 5,250 MW is "clean and green sources" (such as hydro, waste heat recovery, wind, and solar), or around 37% of its portfolio.

The company will be able to leverage the Western Ghat's geographical features to operate the PSPs. Besides Tata Power has a significant presence extending over a century, overseeing operations of three hydro power projects: Khopoli Hydro Generating Station, Bhivpuri Hydro Generating Station, and Bhira Hydro Generating Station, with 150 MW pumped storage hydro project it said in the filing.

Adani Power boasts a power generation capacity of 15,250 MW, including 15,210 MW in thermal power capacity and 40 MW solar power capacity.

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Date :9 August 2023	Page : 4

Biofuels Co GPS Renewables Buys German Firm Proweps Envirotech

Our Bureau

Mumbai: Bengaluru-based biofuels technology company GPS Renewables has acquired Germany-based design and engineering company Proweps Envirotech GmbH for an undisclosed amount.

Proweps specialises in technologies that utilise municipal and industrial organic waste as well as agri-residue for biogas production. GPS Renewables has set up over 100 biogas plants, including Asia's largest renewable natural gas (RNG) plant based on municipal solid waste (MSW) in Indore, Madhya Pradesh.

"This acquisition not only reinforces our mission of fostering a cleaner and more sustainable world but also aligns strategically with our objectives," said Mainak Chakraborty, CEO and co-founder at GPS Renewables, adding that the company is confident that this integration with Proweps will prove to be an ideal fit for GPS Renewables.

Biogas is one of the most important sources of energy from a climate perspective, as it can be further upgraded to produce bioCNG or compressed biogas (CBG), which is a cleaner alternative for CNG or clean electricity.

Proweps specialises in technologies that utilise municipal and industrial organic waste as well as agri-residue for biogas production

Proweps has extensive international experience in the construction business of waste treatment, anaerobic digestion and biogas upgrading plants.

Founded by Dieter Korz and Michael Donderer, the leadership team of Proweps has over 25 years of experience in all areas related to the international and environmental process engineering plant construction business. The company has successfully executed 150+ large-scale turnkey projects worldwide, specialising in waste recycling, anaerobic digestion and biomethane production.

"Over the last several years, we have created a significant impact in the field of international waste management and renewable energy," said Korz, managing partner, Proweps. "This collaboration presents an exciting opportunity for us to take our vision to the next level and further amplify our positive impact."

As a part of the deal, the Proweps leadership will continue to work with the GPS Renewables' team to establish Proweps as the go-to biogas design and engineering firm for project developers across the world.

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'Ethanol policy has ensured stable sugar prices even as cane output rose'

Prabhudatta Mishra
New Delhi

The Union government has defended the ethanol blending programme saying it has helped stabilise sugar prices, reduced concern on cane arrears payment and helped cut import of crude oil, after some experts criticised the policy saying the Centre is promoting the water guzzling crop.

"In last 12 years, hardly there is any increase in area of sugarcane, whereas its production has gone up substantially thanks to scientists of Indian Council of Agricultural Research (ICAR) for developing better varieties," said a senior Food Ministry official. He said there is no crisis now in the sugar sector as the government has been able to manage the excess production generated from same level of acreage.

He said the first priority would remain meeting domestic sugar demand which is estimated around 275 lakh tonnes (lt) after which ethanol will be given the prominence over export. "There is no urgency to allow export and if there would be more availability of sugarcane, the government might think about it," he said.

ARREARS DOWN

According to Agriculture Ministry data, the sugarcane acreage has increased to 51.75 lakh hecatres (lh) in 2021-22 from 50.38 lh in 2011-12, up by 2.7 per cent, whereas the sugarcane production surged to 4,394.25 lakh tonnes (lt) from 3,610.36 lt (up 22 per cent) in these 11 years. In case of sugar production, too, the increase was over 36 per cent to 357.6 lt from 263.42 lt between 2011-12 and 2021-22.

The official pointed out that cane arrears, which used to be 20-30 per cent (of total dues for the season) after 8-9 months in the sugar season, has come down substantially as realisation from ethanol has made sugar mills clear cane payment in less time than what used to be earlier.

With the promotion of micro irrigation and also rise in awareness, the water consumption in sugarcane has been reducing what it was 10 years ago, Atul Chaturvedi, exceutive chairman of Shree Renuka Sugars, said. He also recently suggested the government ethanol policy be tweaked in favour of sugarcane vis-a-vis grains so that capacity is increased by sugar mills.

The Food Ministry expects about 55 lt in terms of sugar diversion towards ethanol next year against about 40 lt in current season. The diversion estimate is based on how much quantity of sugar could have been produced from the same quantity of sugarcane that gets diverted towards ethanol.

Until June 23, the OMCs have achieved 11.77 per cent blending since ethanol season started from December 2022, whereas for the whole ethanol year the blending target is 12 per cent. The government has shortened the current ethanol season to 11 months as from 2023-24 season, it has been changed to run from November to October.

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German BioEnergy enters India through Gruner RE

M Ramesh
Chennai

Bio Energy, a German company that provides technology and engineering design for biomass-based gas plants, has entered the Indian market in partnership with a Noida-based start-up, Gruner Renewable Energy.

Utkarsh Gupta, Founder and CEO of the five-month-old Gruner Renewable, told *businessline* that the company has secured 42 firm contracts for building biogas plants and many more are in the offing.

Under the business model, Gruner Renewable will build a customised biogas plant for customers with BioEnergy's design; and also buy-back the gas. Gruner will retail the gas — for automobiles, under 'Gruner' brand name.

Gupta said that a typical plant of 40-50 tonne-per-day of feedstock will cost about ₹ 15 crore to set up, will yield two-three tonnes of gas per day. A tonne of biomass will yield about 90 cubic meters of gas. Marketing the gas is not the businessman/investor's problem, because Gruner Renewable will buy all the gas, under firm offtake agreements.

BioEnergy has experience in handling 580 types of feedstock, its Managing Director, Dr Nils Rottmann, told *businessline*, at Nagpur, where BioEnergy and Gruner Renewable met a group of potential investors.

A typical plant of 40-50 tonne-per-day of feedstock will cost about ₹15 crore to set up and will yield two-three tonnes of gas a day

Gupta was confident of Gruner Renewable setting up at least a hundred biogas plants in 2023, given the government's plan to have 5,000 such plants by 2024.

USE OF NAPIER GRASS

A Nagpur-based businessman, Achal Thool, has invested ₹ 20 crore in building a 50 tonne-per-day biogas plant near Nagpur, which is likely to go on stream in a few months.

He said that sustained availability and predictable price of feedstock were challenges, but noted that BioEnergy-designed plants could handle a mix of fuels. He said that Napier grass, that can be quickly grown even on wastelands, was a good feedstock. Rottmann said that Napier grass could be harvested four times a year, and cultivation of the grass could be tuned to suit the demand. Gupta said that 80-90 acres of land would be needed to grow Napier grass for a 40-tonne-per-day biogas plant. Agri-residues, such as rice straw, could be co-fired with Napier grass, Rottmann said.

Asked if the organism that produces the gas in the digestor would need to be changed if the feedstock is changed, Rottmann pointed out that there are about 10,000 different species of bacteria in the digestor. Only about 10 per cent of them are active on a particular feedstock; if the feedstock changes, another group of bacteria takes over as the dominant species.