
Madras Cements to go for captive thermal plants

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BL reported that Madras Cements Limited will invest INR 280 crore to set up 65 MW of coal based captive power plants at 2 of its cement production facilities.

According to Mr AV Dharmakrishnan ED finance of Madras Cement Limited, the new capacity, along with its existing 70 MW will make the 10 million tonne a year cement manufacturer self sufficient in power. This will give it the advantage of assured power supply and save the company about INR 15 crore a year in power costs paid as fixed charges to the electricity board.

Madras Cements has placed orders for equipment with Thermax for a 40 MW power plant at its Ariyalur facility. The plant will go on stream in 18 months. The other plant of 25 MW is to come up at RR Nagar. Both these plants are in Tamil Nadu. It has installed 36 MW of coal based captive power plants for the Jayanthipuram in Andhra Pradesh and Alathiyur in Tamil Nadu plants.

Mr Dharmakrishnan said “Madras Cements, which has invested over INR 1,000 crore in 180 MW of captive wind power capacity, has decided to move away from its dependence on wind power.”

He said “The prevailing power shortage in the State and the stand of the Tamil Nadu Electricity Board on wind power banking prevents the company from exploiting the benefit of its captive wind power. There is a total power cut for about five hours a day and the TNEB does not allow wind power generators to use the extended wind power banking facility which results in the banked power lapsing without any benefit to the company.”

According to the annual report for 2008-09, Madras Cements is also setting up dedicated packing plants at Hyderabad and Nagercoil, each with a capacity of about 120 tonne an hour. This will help the company access its markets and avoid the restrictions on movement on heavy vehicles in cities.

The report said that “Madras Cements has acquired from a group company, Ramco Systems Limited, vacant land of nearly 50,000 square feet in Chennai for INR 75 crore.”

(Sourced from Business Line)

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