

NEWS FLASH –10th March, 2016

SUGAR

Demand hopes sweeten sugar

Sugar prices at *naka* trade raised by ₹10 a quintal while on the Vashi spot market and at mill level it remained unchanged on Wednesday. Undercurrent of the market remained firm as demand for the sweetener is likely to rise with increasing temperature.

Sources said arrivals to the Vashi market continued to be at 61-62 truck loads and local dispatches were at 61-62 loads. The Bombay Sugar Merchants Association's spot rates: S-grade ₹3,256-3,312 and M-grade ₹3,312-3,402. *Naka* delivery rates: S-grade ₹3,220-3,270 and M-grade ₹3,270-3,340.

(Source: <http://www.thehindubusinessline.com/markets/commodities/demand-hopes-sweeten-sugar/article8332089.ece>, published on 10th March, 2016)

Indian mills sign deals for exporting 1 lakh quintal sugar

Indian mills have signed deals in the past ten days for exporting about 1 lakh quintal sugar, seeking to make the most of the increase in international prices before crushing begins in Brazil and has a possible adverse impact on prices.

"With exporters offering a higher rate of Rs 26-26.50 per kg, mills are now interested in exporting sugar.

They have signed deals for exporting about 1 lakh quintal sugar and it will be followed up with a few more deals," said Sanjiv Babar, managing director, Maharashtra Cooperative Sugar Factories Federation. Since the Central government will pay Rs 45 per tonne as subsidy on sugarcane payment, the mills will effectively get a subsidy of about Rs 300 per quintal. With domestic market rates ruling at Rs 30 per kg, returns from export are on a par with domestic market prices.

JR Pawar, managing director of Vridhdheshar SSK in Ahmednagar district said, "We signed export deal for 26,000 quintals at Rs 2,625 per quintal ex-factory on March 3."

(Source: <http://economictimes.indiatimes.com/markets/commodities/Indian-mills-sign-deals-for-exporting-1-lakh-quintal-sugar/articleshow/51319268.cms>, published on 9th March, 2016)

Co-gen/ Power

India Power Corp eyes further acquisitions to step up generation business

As part of its plans to scale up power generation capacity by nearly 19 times to exceed 2,000 MW in the coming years, Hemant Kanoria-promoted India Power Corporation (IPC) is looking to acquire 3-4 stressed thermal plants in the near future.

This move will augment the power company's generation capacity by 500-750 MW.

"We are focusing on Brownfield expansion as far as our thermal power generation business is concerned," the company's chairman Hemant Kanoria told *Business Standard*.

The major part of funds needed for these acquisitions will be spent from the company's own coffers.

"However, based on the need, we may go for finance options, but that will not be a major part", he said.

Ruling out takeover of state-owned thermal plants and focusing only on private players, it will acquire only those plants which are either up and running or is nearly 80% complete.

Kanoria is not considering Greenfield projects to further its thermal capacity citing a tenure of about 10 years to construct a plant and make it operational. Additionally, new plants need power purchase agreements as well as fuel supply agreements to be drawn and implemented.

The company's decision comes in the wake of its recent acquisition of the entire 89% stake of French energy firm Engie in Meenakshi Energy in Nellore in Andhra Pradesh. IPC will thereby have the controlling stake in this power plant whose net worth is around Rs. 1,600 crore, but will also have to bear a burden of Rs, 3,000 crore of the debt owed by the power producer.

This deal immediately adds a significant 300 MW of thermal portfolio to the company while another 700 MW will be added shortly. Also, a 450 MW thermal plant in Haldia in West Bengal will be commissioned by the end of 2016. At present, its thermal generation capacity is only 12 MW.

It is also evaluating wind energy greenfield projects in 2-3 states to ramp up its portfolio in this vertical. The firm presently has a wind energy capacity of 95.2 MW spread across Rajasthan, Gujarat and Karnataka.

However, despite its small-scale presence in solar energy and the government actively promoting harvesting energy from the Sun, the firm will not focus on this front.

Policy issues and related hurdles were cited by Kanoria to have influenced this decision.

"While we are looking at enhancing our generation capacity, we want to be a cautious and conservative player as well", he said adding bottomline to be his topmost priority.

The company, which is also into distribution business having a portfolio totaling 7,694 square kilometers has also applied for parallel distribution licences in West Bengal and Harayana.

"It is our endeavour to balance generation with distribution", he said.

Critical of the government's recent attempt to transfuse new life into the debt-ridden state distribution companies (UDAY scheme) as provisions for "reward and penalties" are not included, Kanoria is of the view that allowing more competition in the energy distribution front as well as provisioning for open access will make the Indian power sector more competent.

IPC's present capacity includes a wind energy portfolio of 95.2 MW, a 12 MW fired thermal plant in Dishergarh in West Bengal and a small 2 MW grid connected solar plant in the same state.

(Source: http://www.business-standard.com/article/companies/india-power-corp-eyes-further-acquisitions-to-step-up-generation-business-116031000174_1.html, published on 10th March, 2016)

Maharashtra eyes broadband space via discom network

The Maharashtra government, to rescue its crisis-ridden distribution company MahaVitaran, is looking at launching a broadband service using its distribution network.

State energy minister Chandrashekhar Bawankule told *Business Standard*, "Various companies have evinced interest to associate with MahaVitaran's broadband venture. These companies have argued that MahaVitaran can explore the telecom market through convergence of the power sector with the telecom sector by making available low-cost and high-quality telecom infrastructure through its distribution infrastructure."

MahaVitaran would soon appoint a project management consultant to launch the

broadband venture. "MahaVitaran will take a call whether to allow BSNL or only the private sector companies to bid for the broad band services," Bawankule added.

A MahaVitaran official, who did not want to be named, said the broadband proposal was at the preliminary stage. "This is one of the options being considered to tackle the present financial problems faced by MahaVitaran. It has to recover arrears of Rs 13,000 crore from farmers especially from the drought-hit areas. MahaVitaran's monthly revenue collection is falling. Broadband may mobilise substantial revenue, which is badly required," he added.

(Source:http://www.business-standard.com/article/economy-policy/maharashtra-eyes-broadband-space-via-discom-network-116030900687_1.html, published on 10th March, 2016)

Essel Infra bags Rs 8,500-crore power transmission project

Essel Infrastructure has won the power transmission project to connect the nation's power grid to the southern region. It won the project through tariff-based competitive bidding route. The 765-Kv power transmission corridor at Rs 8,500 crore was put for bidding by Power Finance Consulting Corp. Among the qualified bidders were Essel Infra, Sterlite Grid, Adani Power, Reliance Power and state-owned PowerGrid Corp. The winning bid by Essel Infra was Rs 383.4 crore per annum. This is a levelised tariff for 35 years. Sterlite Grid quoted Rs 394.6 crore per annum. The project would be established on a build, own, operate and maintain basis.

(Source:http://www.business-standard.com/article/companies/essel-infra-bags-rs-8-500-crore-power-transmission-project-116030901437_1.html, published on 9th March, 2016)

THOUGHT OF THE DAY:

"It is the mark of an educated mind to be able to entertain a thought without accepting it."

Health Tip:

"Curd contains calcium that plays a role in strengthening bones and teeth. It also contains phosphorous that combines with calcium to promote bone growth. Eating curd regularly will help prevent diseases like arthritis and osteoporosis.."