

## NEWS FLASH – 12<sup>th</sup> May, 2016

### SUGAR

#### Sugar prices steady

Sugar prices at Mill level decline by ₹ 10-20 as producers sold fair quality at discount while at Vashi market it remained steady with minor ₹ 2-4 changes. Arrivals at Vashi market were about 61–62 truck loads and local dispatches were about 58–60 truck loads. On Tuesday evening 12-13 mills offered tenders and sold 38,000–40,000 bags at ₹ 3,470–3,550 (₹ 3,470 – 3,550) for S-grade and ₹ 3,550–3,610 (₹ 3,550-3,610) for M-grade. On Bombay Sugar Merchants Association's spot rates were: S-grade ₹ 3,566–₹ 3,662 (₹ 3,566-3,662) and M-grade was ₹ 3,646–3,762 (₹ 3,640–3,762). Naka delivery rates were: S-grade ₹ 3,530–3,610 (₹ 3,530–3,610) and M-grade ₹ 3,600–3,720 (₹ 3,600–3,720).

(Source- <http://www.thehindubusinessline.com/markets/commodities/sugar-prices-steady/article8586283.ece>, published in The Hindu on 11th May, 2016)

#### Karnataka: Cane farmers want norms relaxed

Farmers in the region have welcomed the move to widen the crop insurance cover but want certain norms relaxed to claim insurance amount in case of crop failure.

The State Sugarcane Cultivators' Association has drawn attention to the practice of sharecropping in which the landlord allows a tenant to cultivate on a portion of his land in return for a share in the crop. A large number of farmers practice sharecropping but they are excluded from insurance.

But District Lead Bank Manager K.N. Shivalingaiah pointed out that sharecroppers can be covered under the scheme provided the landlord gives in writing that a portion of his land has been leased or rented out for cultivation to the person concerned.

“So far no landlord has issued such a letter as they fear it could be used to lay claim to the land,” he added.

(Source- <http://sugarnews.in/karnataka-cane-farmers-want-norms-relaxed/>, published in The Hindu on 11th May, 2016)

#### Sugar stocks end on a mixed note; Simbhaoli Sugars zooms 7.5%, Balrampur Chini down 1%

Sugar stocks closed on a mixed note after the Indian Sugar Mills Association (ISMA) said that there was no need for imports as domestic sugar stocks were adequate. The association believes that domestic sugar stock piles are enough to last for the coming 24 months and hence make the need for any imports redundant.

Simbhaoli Sugars Ltd (Merged) ended at Rs. 28.5, up by Rs. 1.35 or 4.97% from its previous closing of Rs. 27.15 on the BSE. The scrip opened at Rs. 28.5 and touched a high and low of Rs. 28.5 and Rs. 28.5 respectively. A total of 337236(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 80.46 crore.

Upper Ganges Sugar & Industries Ltd ended at Rs. 182.3, up by Rs. 10.2 or 5.93% from its previous closing of Rs. 172.1 on the BSE. The scrip opened at Rs. 175.1 and touched a high and low of Rs. 190.6 and Rs. 175 respectively. A total of 1068815(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 198.95 crore.

Balrampur Chini Mills Ltd ended at Rs. 108.25, down by Rs. 1.05 or 0.96% from its previous closing of Rs. 109.3 on the BSE. The scrip opened at Rs. 109.6 and touched a high and low of Rs. 112.7 and Rs. 108 respectively. A total of 3038006(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 2677.3 crore.

EID Parry (India) Ltd ended at Rs. 234.6, up by Rs. 4.15 or 1.8% from its previous closing of Rs. 230.45 on the BSE. The scrip opened at Rs. 230 and touched a high and low of Rs. 238.45 and Rs. 228 respectively. A total of 1345113(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 4051.65 crore.

(Source- <http://sugarnews.in/sugar-stocks-end-on-a-mixed-note-simbhaoli-sugars-zooms-7-5-balrampur-chini-down-1/>, published in *Indiainfoline* on 11th May, 2016)

## **Parrys Sugar locked in lower circuit after setting swap ratio for merger with EID Parry**

Parrys Sugar Industries was locked in lower circuit of 5% at Rs 55.55 on the BSE after the board of directors of the company approved the scheme of amalgamation of Parrys Sugar Industries with EID Parry. Parrys Sugar is a listed subsidiary of EID Parry.

The board also decided to fix the merger swap ratio at 2:13 i.e. shareholders of Parrys Sugar will receive two equity shares of Re 1 each of E.I.D. Parry for every 13 equity shares of Rs 10 each they hold.

The appointed date of merger is April 1, 2016. The exchange ratio for the merger has been determined on the basis of a valuation report provided by SSPA & Co and Fairness opinion provided by Axis Capital, Parry Sugar said in statement.

The amalgamation would result in greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity, it added.

Post March 2016 quarter results, the stock of Parrys Sugar had rallied 40% from Rs 41.75 on April 29, to Rs 58.45 on Tuesday.

Till 09:30 am, a combined 18,169 shares changed hands and there well sell orders for 79,448 shares on the BSE and NSE.

EID Parry (India) was down 1.5% at Rs 231 after hitting a low of Rs 228 on the BSE in early morning trade.

Source- <http://sugarnews.in/parrys-sugar-locked-in-lower-circuit-after-setting-swap-ratio-for-merger-with-aid-parry/>

## Co-gen/Power

### SolarTown Energy raises early stage funding from GREX

SolarTown Energy Solutions Pvt. Ltd. (SolarTown), a pioneer in India's solar industry specializing in the sale, lease and installation of solar rooftop systems for residential, commercial and industrial customers, is pleased to announce that it has raised early stage funding from GREX and is on pace to close its Series A round. SolarTown has experienced tremendous growth largely due to its successful zero-down lease model for residential and small commercial customers in India. The funding comes as SolarTown begins to accelerate expansion into new geographic markets across India.

Installation of rooftop solar, which typically requires a substantial upfront cost, has remained out of reach for much of India's population. SolarTown Energy Solutions is eliminating this barrier and providing rooftop solar solutions for upto a 20-year fixed monthly lease option at a guaranteed cost that is lower than DISCOM rates. This program is one of the first that offers a zero-down lease option for rooftop installations smaller than 100 kW, shielding small residential and commercial customers against rising electricity prices.

"Because the price of electricity is cost prohibitive and continues to rise, the demand for rooftop solar has never been greater than it is today," commented SolarTown CEO Vikram Dileepan. "SolarTown's no money down leasing model is unique because it has made solar solutions affordable for a large swath of India's population. As a result, the addressable market in front of us is massive. GREX has provided us an excellent platform to raise early-stage funds as we continue working to close our Series A funding round."

(Source- <http://indianpowersector.com/2016/05/solartown-energy-raises-early-stage-funding-from-grex/>, published on 11th May, 2016)

### Curtailment risk imminent for Indian solar projects in the years to com

With a target of 100GW, India is hoping to get 8% of its power requirements from solar PV by 2022. In comparison, Germany got around 7.5% of its power consumption from solar PV in 2015 and China is still at around 3%. In Germany, where most of the solar capacity has been deployed in the form of distributed solar projects, billions of Euros are being spent on grid projects to help reduce curtailment in green power. Despite that, according to a government report, Germany curtailed about 1,581GWh of green energy in 2014, a threefold increase over the previous year. In China, grid curtailment issues continue to impact the export of power from solar projects and some provinces such as Gansu (31%) and Xinjiang (26%) have been hit particularly badly.

In Germany, on sunny weekdays, solar power can cover 35% of the momentary electricity demand. On weekends and holidays this ratio goes up to 50% and sometimes even higher. At such times, power pricing gets distorted, while renewable and other sources of generation often need to be backed down. These problems are occurring despite Germany's peak daily demand hours coinciding with peak solar generating hours. An integrated European grid, smarter grid management and abundant availability of dispatchable gas-based power comes in handy at such times.

(Source- <http://indianpowersector.com/2016/05/curtailment-risk-imminent-for-indian-solar-projects-in-the-years-to-com/>, published on 11th May, 2016)

## Gamesa to set up Rs 300-crore unit in Andhra Pradesh

Wind turbine maker Gamesa India is preparing for a new growth trajectory with a greenfield manufacturing unit as the wind power market in India sees recovery after a slowdown phase.

Gamesa is in the process of establishing an integrated manufacturing facility at Iffco Kissan SEZ, located in Nellore, Andhra Pradesh, with an investment of about ₹300 crore. Phase I of the project will see setting up of a blade production unit for the G114-2.0 MW wind turbine model, which will have a rotor diameter of 114 metres or 374 feet, and designed to increase energy output from low- and medium-wind sites.

The blade plant is expected to be commissioned in August. The facility will be equipped to manufacture 300 MW per annum in the initial period. It is expected to employ over 1,000 people, while its ancillary units will create more jobs.

With the launch of the blade production this year, the company will be completing €100 million investment programme in India that it announced in 2014.

"While we already have facilities in Tamil Nadu and Gujarat, we were looking for a place south of Vindhyas to tap the emerging opportunity in Andhra Pradesh, Telangana, Maharashtra and Madhya Pradesh. We chose Andhra Pradesh due to the promise of 24/7 power supply as ours is a continuous process industry that requires uninterrupted power," said Ramesh Kymal Chairman & Managing Director, Gamesa India, Indian arm of €3.5 billion Gamesa Group of Spain.

(Source- <http://indianpowersector.com/2016/05/gamesa-to-set-up-rs-300-crore-unit-in-andhra-pradesh/>, published on 11th May, 2016)

## India ready to import gas for idle power plants, says Goyal

The government is ready to import at least 70 to 80 million metric standard cubic metres (mmscm) of natural gas for India's idle gas-based power plants if it can secure long-term 'affordable' rates, Piyush Goyal, Minister of Power, said. "This will enable India to operate its idle gas-based power capacity," Mr. Goyal said addressing a conference on 'The Future of

Electricity'. Obtaining the required gas will lead to the re-starting of 20,000 MW of idle power capacity in India. The minister recently visited Australia and secured assurances for gas supply at \$5 per mmbtu but suppliers were not willing to sign long-term contracts.

"If the government gets gas at \$5 per mmbtu, gives custom duty waiver, reduces marketing margins and gas transportation charges by half and reduces inter state transmission charges to zero, the industry will be able to absorb the price" Sushil Maroo, MD & CEO, Essar Power Limited, told The Hindu.

As to what 'affordable' price sellers would agree to for long-term contracts, Anish De, Partner, KPMG, said, "The international market is oversupplied on gas."

Adding that this could go on for five years or more, he said, "Earlier, suppliers were not looking at long-term contracts in the region of 7-10 years, he said. "They might look at it now."

**(Source- <http://www.thehindu.com/business/Industry/india-ready-to-import-gas-for-idle-power-plants-says-goyal/article8586396.ece>, published in The Hindu on May 11, 2016)**

## **Power intake to increase up to 4 trillion units by 2030**

The country's electricity consumption will increase four times from about 1.1 trillion units to 4 trillion units by 2030, Union Power Minister Piyush Goyal said.

Speaking at a conference on 'The Future of Electricity', Goyal said, "Despite massive roll-out of energy efficient schemes, we still see a possible 10 per cent jump in the electricity growth annually for the next 15 or 16 years."

The fresh demand for power will come from the 230 million people who will get electricity for the first time, the elimination of diesel generation sets because of access to power and from increased economic activity coming from the Make in India campaign, Goyal added.

India has set a target of setting up 175 GW of renewable energy generation capacity by 2022, out of which 100 GW is to come from solar. The higher personal incomes and the emphasis given to domestic manufacturing activities will significantly increase power consumption despite improvements in energy efficiency.

The solar power capacity, presently at 6.7 GW, will touch 20 GW by next year. Since the solar power sector is on track, the government will now focus on encouraging new hydropower and wind power capacity, Goyal said.

The Ujwal Discom Assurance Yojana (UDAY) is expected to improve health of state-run power utilities, enable them to buy more power from producers and invest more in efficiency improvement.

Goyal said the government is also ready to contract at least 70 to 80 million metric standard cubic metres (mmscmd) of natural gas from global suppliers "if they are ready to supply long-term at affordable rates, which will enable India to operate its idle gas-based power capacity."

**(Source-<http://www.newindianexpress.com/business/news/Power-intake-to-increase-up-to-4-trillion-units-by-2030/2016/05/12/article3428462.ece>, published on 12<sup>th</sup> May, 2016)**

## **19 thermal power plants in India not complying with pollution norms**

A total of 19 thermal power plants across India were found violating the environment guidelines, including on installation of pollution control equipment, parliament was told on Tuesday.

"Polluting industries including Power plants are required to install pollution control equipment to meet the prescribed effluents and emission standards as specified in the environment clearance, consent and the guidelines to control the emissions of highly polluting industries," Environment Minister Prakash Javadekar told the Lok Sabha in a written reply.

He said that according to the Central Pollution Control Board (CPCB), 19 thermal power plants were found to be not complying with the prescribed norms.

"CPCB has issued directions to the non-compliant thermal power plants," he said.

According to the data, four of these plants are in Chhattisgarh, three each in Uttar Pradesh and Jharkhand and two each in Bihar and West Bengal. Andhra Pradesh, Gujarat, Maharashtra, Odisha, Rajasthan also have one such power plant.

India has over 200 thermal power plants, out of which about 116 are coal-based.

**(Source-[business-standard.com/article/news-ians/19-thermal-power-plants-in-india-not-complying-with-pollution-norms-116051001527\\_1.html](http://business-standard.com/article/news-ians/19-thermal-power-plants-in-india-not-complying-with-pollution-norms-116051001527_1.html), published 10<sup>th</sup> May, 2016)**

### **Thought of the day**

"You can complain because a rose has thorns,  
or rejoice because thorns have a rose."

~ Abraham Lincoln