

## NEWS FLASH – 13<sup>TH</sup> July, 2016

### SUGAR

#### 16 sugar stocks that have given over 100% returns in 2016 so far

In the seven months to July, about sixteen stocks among the total basket of sugar companies have given returns of over 100 percent. Some of them have also hit their 52-week high.

So far, this year has proved to be extra sweet for sugar companies -- and for investors who betted on them it couldn't have been better. In the seven months to July, about sixteen stocks among the total basket of sugar companies have given returns of over 100 percent. Some of them have also hit their 52-week high.

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(Source- [http://www.moneycontrol.com/news/market-edge/16-sugar-stocks-that-have-given-over-100-returns2016-so-far\\_7022481.html](http://www.moneycontrol.com/news/market-edge/16-sugar-stocks-that-have-given-over-100-returns2016-so-far_7022481.html), published on 13th July, 2016)

#### Monsoon will cover entire country by Wednesday: Met

The monsoon has been stuck over a small arc linking Gujarat and West Rajasthan over the past few days as it waits to run through the last outpost to establish coverage over mainland India.

The India Meteorological Department says it will take two more days for it to accomplish this significant milestone.

#### Rain in Rajasthan

Heavy rain has been reported over west Rajasthan and adjoining Gujarat as the footprint of a wet spell reached out from Madhya Pradesh.

The rains are forecast to sustain over Central and adjoining North-West India for the next few days given the presence of helpful atmospheric systems (low-pressure areas and other circulations).

These include the low-pressure area over North-East Madhya Pradesh and upper air cyclonic circulations over South-West Madhya Pradesh and Odisha-Jharkhand.

Completing the ensemble is the land-based trough extending from North-West Rajasthan to East-Central Bay of Bengal through north Chhattisgarh and Odisha.

### **Weak phase**

As for Tuesday, the Met has forecast heavy to very heavy rain over at a few places over Gujarat; isolated places over east Rajasthan and west Madhya Pradesh; heavy at isolated places over Himachal Pradesh, Uttarakhand, west Rajasthan, east Madhya Pradesh, Saurashtra and Kutch.

An almost similar forecast is valid for the period for the next four days until Friday, following which the rains are forecast to confine themselves increasingly to the northern and north-eastern parts of the country.

Projections by the Met Department itself suggest that this scenario will emerge from July 16 to 25 with rains drying up gradually from Peninsular, Central and West India.

This has all the trappings of an emerging weak phase, which the monsoon invariably runs into after a productive spell.

(Source- <http://www.indiansugar.com/NewsDetails.aspx?nid=5746>, published on 12th July, 2016)

## **Co-gen/Power**

### **Bangladesh and India sign agreement for joint coal fired power plant**

Bangladesh and India today signed a landmark deal for the construction of a 1,320 megawatt coal fired power plant, the biggest project under bilateral cooperation that would mark the transition from electricity export to generation level.

Bangladesh-India Friendship Power Company (Pvt) Limited (BIFPCL), the joint venture enterprise inked the deal with Bharat Heavy Electricals Limited (BHEL), which was selected under an open international tender for constructing the super thermal plant at Bangladesh's southwestern Rampal near the Sundarbans.

India's Exim Bank will provide \$1.49 billion for the project, scheduled to start generating power in 2019.

"This ceremony marks the beginning of the biggest project under Bangladesh-India cooperation," state minister for energy and power Nasrul Hamid said.

The deal came amid concerns by environmental groups that the the plant could affect the delicate ecosystem of the world's largest mangrove forest, spreading over both Bangladesh and India.

Speakers, including Prime Minister Sheikh Hasina's energy affairs adviser Toufiq-e-Elahi Chowdhury and her principal secretary Abul Kalam Azad negated the environmentalists concerns saying the world's most efficient and environment- friendly technology was being used to set up the plant.

“We have a coal-powered plant at (northwestern) Barapukuria in a crowded location which is not affecting the environment while the technology being used for the Rampal plant is far more modern and most environment friendly (than that of Barapukuria),” Azad said.

(Source- <http://indianpowersector.com/2016/07/bangladesh-and-india-sign-agreement-for-joint-coal-fired-power-plant/>, published on 13th July, 2016)

## **Few utilities seen benefiting from decade-high power generation growth**

Indian power utilities have had the best summer in at least a decade. Thermal or coal based electricity generation grew 13% in April-June, the best fiscal first quarter growth the sector saw in at least 10 years. The strong growth reflects demand recovery, aided by a favourable base and improvement in power supply position.

But strong generation growth will not lift earnings of all power utilities in the June quarter. That's because there are few listed pure generation power utilities and several of them continue to face legacy issues, such as regulatory disputes and problems with non-core investments.

(Source- <http://indianpowersector.com/2016/07/few-utilities-seen-benefiting-from-decade-high-power-generation-growth/>, published on 12th July, 2016)

## **Smart grid project in Gurgaon to end use of diesel generators, says Manohar Lal Khattar**

A Rs 7,000 crore smart grid project being implemented by Haryana government to ensure uninterrupted supply of power in Gurgaon city will put an end to consumption of diesel through generator sets, Chief Minister Manohar Lal Khattar said on Monday.

Khattar held a meeting with Union power minister Piyush Goyal in Delhi to review the progress of the project. He said the project will not only prove beneficial for conservation of environment but also put an end to the role of builders and colonisers for power supply.

Goyal said this project will prove a milestone in the field of power supply in the country. While describing Gurgaon as an important cosmopolitan city, he said that the total transformation of Gurgaon through this project would be another feather in its cap. He said that in the first phase, the project involved an investment of Rs 1,382 crore.

(Source - <http://energy.economictimes.indiatimes.com/news/renewable/smart-grid-project-in-gurgaon-to-end-use-of-diesel-generators-says-manohar-lal-khattar/53155124>, published on 11th July, 2016)

## 'Cheaper electricity is not all that easy'

Pramod Deo, former Chairperson, Central Electricity Regulatory Commission (CERC) is direct and forceful. He minces no words to put things in perspective. Business Line recently caught up with Deo on the sidelines of a training programme organised by the IPPAI Regulatory & Policy Research Institute in collaboration with the India Smart Grid Forum.

He shared his views on a number of issues. Edited excerpts from the interview.

The success of UDAY (Ujwal DISCOM Assurance Yojana) hinges on States undertaking regular tariff hikes, wherever required.

But, according to ICRA, the average tariff hike for 2016-17 has been only 5 per cent. Does this suggest that we are off the UDAY track?

In 2016-17, Tamil Nadu, Kerala and West Bengal went to the polls. So, you could not have expected them to revise power tariffs. What matters is whether they do it next year. To expect that States would hike tariffs, particularly when they have such an event (elections), is like asking somebody to commit political suicide.

For other States, getting their balance sheets in order and following yearly tariff hikes to reflect the full cost of running their business is important.

The discoms have to also improve their efficiency, for which they will require network strengthening, which will mean incurring capital expenditure. This will finally add to the tariff in later years because the fixed cost gets built into your tariff.

So, to say that tariffs will go down is difficult, unless you are talking only about commercial losses, which can be controlled and do not require any capital expenditure. But, the discoms are government-owned entities and have certain limitations. So, increasing the efficiency dramatically becomes difficult. The employees who are hand in glove with big consumers in pilferage have their own political links.

(Source- <http://indianpowersector.com/2016/07/cheaper-electricity-is-not-all-that-easy/>, published on 11th July, 2016)

## TN urges Centre for energy corridor to sell wind power

**As Tamil Nadu is in a position to sell about 1,000 MW surplus wind power to other states, Chief Minister J Jayalalithaa urged the Centre to set up a dedicated inter-state green energy corridor for the purpose.**

Tamil Nadu, with an installed capacity of 7,600 MW of wind power, contributes about 27% of the country's total installed wind capacity. In addition, there is an installed capacity of 1,142 MW of solar power.

Stating that Tamil Nadu has already met its Renewable Purchase Obligation (RPO), Jayalalithaa, in a letter to Prime Minister Narendra Modi, pointed out that many states in India, who are unable to meet the RPO, are now approaching the state for assistance.

"To facilitate the sale of surplus wind power to the states in need of renewable energy, it is important that a dedicated interstate green energy corridor is established so that the surplus wind energy from Tamil Nadu can be successfully evacuated and sold to other states," she said.

Jayalalithaa also asked Modi to instruct the Ministry of Power to speed up the process of establishing the green energy corridor. She said that the state's goal is to add a further 4,500 MW of wind power and 5,000 MW of solar power over the next five years.

(Source- <http://www.deccanherald.com/content/557152/tn-urges-centre-energy-corridor.html>, published on 11th July, 2016)

### **Business quote of the day**

*Time is the scarcest resource and unless it is managed nothing else can be managed.-*

*Peter Drucker*