

## NEWS FLASH – 14<sup>th</sup> April, 2016

### SUGAR

#### Sugar futures gain 0.81% as demand picks up

Sugar prices went up by 0.81 per cent to Rs 3,609 per quintal in futures trading today as participants raised their bets, tracking an upsurge in demand in the spot market.

At the National Commodity and Derivatives Exchange, sugar for delivery in far-month July shot up by Rs 29, or 0.81 per cent to Rs 3,609 per quintal with an open interest of 26,890 lots.

Likewise, the sweetener for delivery in May contracts traded higher by Rs 26, or 0.75 per cent to Rs 3470 per quintal in 1,16,040 lots.

Analysts attributed the rise in sugar futures to uptick in demand from retailers as well as bulk consumers in the spot market amid pause in supplies from producing regions.

**(Source-<http://economictimes.indiatimes.com/markets/commodities/news/sugar-futures-gain-0-81-as-demand-picks-up/articleshow/51809084.cms>, published on 13<sup>th</sup> April, 2016)**

#### UP: Closure of sugar mills may affect power supply

There is bad news for electricity consumers as the power crisis is set to worsen in the state. With the sugarcane crushing season all set to conclude, mills would also stop functioning.

Additional cane commissioner VK Sukla stated that about 116 factories crushed sugarcane across the state. But now, over 91 sugar mills had stopped. Of these, 59 mills generate electricity and produce around 1400MV power. Owners of these mills sell power to the power corporation and it is stored in the grid.

In Bijnor district, six of the nine sugar mills at Bilai, Bahadarpur, Dhampur, Syohara, Barkatpur and Bundki mill generated electricity. They all produced about 180MV power. By April 10, four mills will be closed.

The Uttar Pradesh Power Corporation purchases electricity from these mills at rates ranging between Rs 4.50 to Rs 4.65 per unit.

However, consumers are likely to face a power crisis when these sugar mills are shut down. At present, electricity is supplied for 20 hours in urban and 14 hours in rural areas. If these sugar mills shut down, power supply may be decreased by two hours.

Discussing the issue, Bhajanlal Singh, SDO of transmission branch, power corporation, said, "Due to soaring temperatures, consumption of electricity has increased. On the other hand, sugarcane crushing season has ended. In this scenario, consumers will face a power crisis."

However, Singh claimed that to put an end to the power crisis, the state government may purchase extra electricity from other sources.

(Source- <http://sugarnews.in/up-closure-of-sugar-mills-may-affect-power-supply/>, published in the **Timed of India on 12th April, 2016**)

## **Karnataka: Sugarcane growers threaten stir over FRP**

The Karnataka State Sugarcane Growers' Association on Tuesday announced that it will hold protests in front of the offices of MPs on April 18 if the Centre did not meet its demand of fixing the fair and remunerative price at Rs 3,000 per tonne for 2016-17.

President of the association, Kurbur Shantkumar told reporters that the Centre has not been responding to the demand.

"The salaries and allowances of ministers, legislators and government employees are hiked every year. When it comes to revising the price for farmers' produce, there is no hike," he said.

The association has also demanded dissolution of the Centre Agricultural Price Commission. "There is no need of an IAS officer to fix the minimum support price for 42 agricultural products. A real farmer should be appointed as the chairman of the commission to mete out justice to farmers," he said.

(<http://sugarnews.in/sugarcane-growers-threaten-stir-over-frp/>, published in the **Timed of India on 13th April, 2016**)

## **CO-GEN/ POWER**

### **ReNew Power may buy Sun Edison's Indian assets**

#### **The company is facing potential technical defaults on \$1.4 billion of loans and credit facilities**

eNew Power, the home grown billion-dollar renewable start-up, is in talks with troubled Sun Edison to buy some of its solar assets in India. The company is facing potential technical defaults on \$1.4 billion of loans and credit facilities, and is seeking to sell as much as 1 gigawatt (GW) of unfinished projects in India.

Confirming the development, Sumant Sinha, promoter-CEO and Chairman of ReNew Power, told The Hindu , "A lot of churn is happening within the industry. We have the capital. If we get an attractive price, we are willing to buy. We are in talks with Sun Edison, but let them sell. We are talking to all and so are they (Sun Edison)." The talks, he said, were stuck on the issue of pricing.

Goldman Sachs-backed ReNew Power commenced operations in 2011 and became the first renewable firm in India to have over 1,000 MW of operational solar and wind projects. Sun Edison, on the other hand, is looking at either selling or seeking a partner for its venture in India, on account of its financial troubles in the US. The company is likely to file for bankruptcy protection in the US in the coming weeks.

The 500 MW project in Andhra Pradesh it won in November 2015, among others, is idle.

The company promised an aggressive power pricing — a record-low tariff of Rs 4.63 per kilowatt-hour — beating 29 other bidders.

Asked about the possibility of closing the deal with Sun Edison, Mr Sinha said, "They are looking for some player who is willing to pay that kind of price, may be a strategic investor. A tariff of Rs 4.63 a unit was not workable for us even then; now they have to give me some money to make it workable... The problem is, the valuation has to be in line. Hope something works out."

### **Inorganic growth**

ReNew Power, which has Rs 4,000 crore (\$650 million) equity from Goldman Sachs, Abu Dhabi Investment Authority, Asian Development Bank and Global Environment Fund, is looking for inorganic growth as a lot of solar assets are available in the secondary market.

Out of the 5,000 MW of solar projects awarded in the last two years, almost 2,500 MW of capacities are on the block.

Canadian solar company SkyPower is looking for partners for its India projects while Welspun Renewables Energy is planning to sell its portfolio of 1.1 GW of renewable power assets.

**(Source- <http://www.thehindu.com/news/cities/mumbai/business/renew-power-may-buy-sun-edisons-indian-assets/article8474032.ece>, published in the Hindu on 14<sup>th</sup> April, 2016)**

## **Welcome steps in Indo-US cooperation; will help India's rise as an independent power**

India and the US are drawing ever closer in strategic terms, and this is welcome. The agreement, in principle, to mutually share logistics, under the Logistics Exchange Memorandum of Agreement, reached during the recent visit of US defence secretary Ashton Carter to India, is the latest development in this

process. A Defence Technology and Trade Initiative, under which sensitive technologies can be transferred to India for domestic manufacture, is in place since 2012. Two more agreements are being negotiated, on communications security and interoperability and on geospatial cooperation. These would help India's desirable rise as a major, independent power that engages with all other powers.

In order to live up to this strategic vision of active, independent engagement with the rest of the world, India needs to make good two capacity deficits. One is institutional capacity for wide-ranging engagement with all relevant powers. Right now, there is the risk of New Delhi being overwhelmed by the flurry of initiatives emanating from the US and not having the resources to engage with other powers. The other is technological capability, to avoid being the passive, albeit eager, receiving end of a unidirectional flow of advanced technology. This cannot be achieved by setting up yet another government research institution. It calls for an ecosystem of vibrant universities, robust private sector participation in defence-related research and production, and extensive, but result-oriented, work in public sector research outfits.

Even if the logistics-sharing agreement falls short of opening a US base in India, doesn't it drag India into a potential anti-China alliance led by the US? After all, a US intervention over Taiwan or in the South China Sea that makes use of, say, Indian airstrips, is far more likely than an Indian operation in the Caribbean, calling for use of US bases. The short answer is that an arrangement that ensures China's rise stays peaceful would avert the need for external intervention and suit everyone's interests, including China's.

**(Source- <http://blogs.economictimes.indiatimes.com/et-editorials/welcome-steps-in-indo-us-cooperation-will-help-indias-rise-as-an-independent-power/>, published in The Economic Times on 14<sup>th</sup> April, 2016)**

## **Tata Power designs India's first pre-fabricated power distribution centre for city**

Tata Power, India's integrated power company, has designed and developed India's first pre-fabricated modular Power Distribution Centre in collaboration with ABB, that houses switchgears and auxiliary equipment.

The solution is designed to overcome the challenges faced in rapidly growing cities and urban areas, said a company statement.

Tata Power has been able to reduce the footprint of the 33 /11KV substation by almost 30 per cent, civil cost of construction by 82 per cent as well as the gestation period of establishing the substation by two months, it added.

Commenting on the development, Ashok Sethi, COO and ED, Tata Power, said, "The newly-engineered solution, the PDC, not only combats space crunch issues but also enhances public safety," said Tata Power COO & ED Ashok Sethi, adding that this will not only be beneficial for consumers but also for the power industry.

Sanjeev Sharma, country Managing Director of ABB India Ltd, said, "ABB's state of the art portfolio of solutions and services that can adapt to evolving requirements of customers makes it well-placed to partner Tata Power's focus on continuous improvements."

By virtue of being inaccessible from the outside, the PDC has enhanced safety, the statement added.

(Source- <http://www.thehindu.com/news/cities/mumbai/business/tata-power-designs-indias-first-prefabricated-power-distribution-centre-for-city/article8469336.ece>, published in the Hindu on 13th April, 2016)

#### **Thought of the day**

"Respect for ourselves guides our morals, respect for others guides our manners."  
-Laurence Sterne