

The Economic Times 01-02-2015 Pg. 12

Robust Demand in W Asia to Help KEC Plug Into Growth

MIDCAP MANTRA

Good prospects for domestic market, US arm and railways biz also a positive



Financial Matrix

	FY14	FY15
Revenue	7,902	8,468
EBITDA	493	512
EBITDA Margin (%)	6.24	6.05
Net profit	79.0	69.0
Order book	10,200	9,508

Figures in crore

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ET Intelligence Group: Thanks to the crude oil price crash, any company with business interests in West Asia could be giving its management sleepless nights. However, KEC International, a supplier of power transmission equipment with a sizeable presence in the region, sees no threat to revenue visibility or order inflows.

The company's confidence springs from the fact that electricity supply in the region comes under the ambit of basic infrastructure, for which annual budgets have not been clipped. Rather, in many countries, the budgets have been increased. For instance, Saudi Arabia has increased its basic infrastructure budget to \$78 billion from \$60 billion a year ago. The need for power of take infrastructure can be gauged from the fact

that Jeddah, the second largest city in Saudi Arabia, sometimes faces four-five hours of power outage in a day. Therefore, orders related to transmission and distribution, which is a core business for KEC International, carry lower risk of postponement or deferment.

At end of the July-September quarter, KEC, a part of RPG Group, had an outstanding order book of ₹9,800 crore. Of this, 13% was from West Asia, which has been a key contributor to the company's incremental

revenue growth. The company's revenue from West Asia increased 50% in 2014-15, while its overall revenue grew 7% during the period.

The company is currently pursuing ₹650 crore worth of orders in Saudi Arabia and it is L1 bidder in several orders which are yet to be awarded.

In the domestic market, which constitutes about half of its order book, KEC will benefit from 10% increase in annual capital expenditure by PowerGrid to ₹24,500 crore for the current fiscal. "We are expecting revenue growth of 10% in the current fiscal and nearly similar growth in the next," said Vimal Kajriwal, MD and CEO of KEC International, who assumed charge in April 2015.

The other fallout of soft crude oil prices on KEC International could be on the profitability of its US-based subsidiary SAE Tower, which supplies power transmission equipments to Brazil and Mexico. Both nations rely heavily on oil-based revenues. SAE Towers has enough orders to fill capacities for two years.

Apart from the transmission business, the company is looking to double its revenue share from railways, which accounts for nearly 7% of the total sales. Besides, it sees significant revenue growth potential in engineering, procurement and construction business of solar power projects up to 10MW.

The Hindu 1/2/15
Kudankulam operations

The first unit of the high-profile Kudankulam nuclear plant in Tamil Nadu has resumed generation after a gap of few months. Coinciding with this is the comment of former AERB chairman A. Gopalakrishnan "that the reactor is one of [the] dangerous reactors in the country" and there being a "grave question mark" on safety ("Kudankulam plant not safe without proper quality checks", Jan.31). This is an alarming statement and it is time the authorities get global experts to commission a complete safety audit. The catastrophe in Fukushima, Japan, after a terrible meltdown, is still fresh in our minds. Even in Bangladesh, opposition is building up against the deal signed by the Russian state nuclear corporation and Bangladesh to invest \$12.65 billion in a project to build two 1200 MWe nuclear power units at Rooppur.

D.C. 01/2/16
One major hurdle you are facing is power and water scarcity. How will you overcome this?

Our dependence on hydel power is more. The drought was severe this time. This year, 2500 MW of thermal power will come to our grid by June. Non-conventional energy, solar, and wind mills are coming up and will add more power.

Deccan Herald 01/02/16
Power cuts three times a day

Recently, I read in a newspaper that there will be no power cuts during this summer. But on Republic Day (January 26), there was disruption in power supply three times. Each time the power cut lasted for around an hour in Aswathnagar, Thanisandra. M M Abraham, Thanisandra

Economic Times 19/1/16
PMO Seeks Report on Stalled Hydro Power Projects in 3 Mths

PTI

New Delhi: The Prime Minister's Office has asked Niti Aayog to prepare a report on stalled hydroelectric power projects which have held up large-scale investment as the government aims to provide 24x7 electricity across the country.

"Recently, the PMO asked Niti Aayog to prepare a report on the country's hydro projects which are stalled and investments which has been held up due to these projects," a source said.

The source added that the government think-tank has also been asked to include the reasons for the projects getting delayed in its report.

Niti Aayog has been asked to prepare the report within three months, the source said. The proposed hydro capacity addition during the 12th Plan period is 10,897 MW. However, up to December 2015, the actual capacity addition was only 3,651.02 MW which is 33.5% of the

proposed capacity addition, according to data by Central Electricity Authority (CEA). Of the country's total installed capacity of 2,84,303.39 MW as on December 31, 2015, large hydro capacity is 42,623.42 MW and small hydro capacity is 4,147 MW, CEA data said.

Hydro power projects are generally categorised in two segments — small and large hydro.

Hydro projects of up to 25 MW capacities have been categorised as small hydro power projects.

The power ministry is responsible for large hydro projects, while the mandate for the small hydro power is given to ministry of new and renewable energy. India has set a target of 175 GW of renewable energy capacity by 2022, which includes 5 GW of small hydro power.

According to PWC's Kamewara Rao, hydro power continues to have strong long-term economic benefits for energy prices, especially as the India market

matures to offer ancillary services, besides mainstream power sales.

Unfortunately, he said, development in the Himalayan belt slowed down after 2012 floods as the states put new permits on hold. Further, regulatory approvals for the project cost has also taken time, which is understandable given challenges in assessing cost overruns. "The most promising new growth is from the North East, and the transmission corridor through Bangladesh will help bring private investment to the North East hydroelectric sector, and transmission costs will be lower for buyers. The speed of these developments will depend on how Bangladesh and India collaboration on regional network," he added. The Parliamentary Standing Committee on Energy had earlier said that policy measures have failed to revive the hydro sector and had asked the government to come up with a framework to rejuvenate it.

Fuel-starved Nepal looks up towards sun

Ongoing Madhesi protests new constitution creating havoc in Himalayan nation

KATHMANDU: After enduring endless blackouts in Nepal's month's-long and ongoing national fuel crisis, management consultant Pankaj Shrestha finally splurged on a set of solar panels for his home in Kathmandu.

"First there was no cooking gas available, so we bought an electric cooker. But then there was no electricity, so how could we cook anything?" the 52-year-old asked.

With power outages lasting up to 15 hours a day and the price of diesel used to power generators soaring, the Himalayan nation's solar industry is eyeing a boom in sales.

Although solar panels are unaffordable for millions of poor Nepalis, the industry is confident the crisis will spur the country's frustrated middle-class to invest in the re-



ON THE ROOF OF THE WORLD With power outages lasting up to 15 hours a day and the price of diesel used to power generators soaring, Nepal's solar industry is eyeing a boom in sales — even though solar panels are unaffordable for millions of Nepalis. AFP

newable energy. "We have already seen a 10 per cent increase each year in the number of houses using solar energy," said Ram Prasad Dhital, chief of the state-run Alternative Energy Promotion Centre.

He described solar as "the ideal option" for many in the power-starved country.

Landlocked Nepal has historically relied on neighbouring India for petrol, diesel and cooking gas, but these and other critical supplies have

slowed to a trickle since a border blockade kicked off more than four months ago.

Nepal's Madhesi ethnic minority has blocked a key border crossing with India, in protest over a new national constitution adopted in Sep-

tember that they say denies them political representation.

Overnight queues at petrol pumps are routine and a black market for smuggled diesel and cooking gas thrives, as government talks fail to

The fixed panels face south and are angled upward at 20° to absorb the most possible sunlight.

resolve the crisis.

Until now, solar firms in Nepal have targeted rural households cut off from the electricity grid. NGOs and

the government have subsidised sales of solar panels to more than 750,000 homes in need.

But huge crowds thronged a Kathmandu trade fair on clean energy this month, with businessmen, housewives and

middle-class professionals among the mix, in a sign of changing times.

Sales of solar systems surpassed \$18 million during the three-day event, with representatives of about 90 companies struggling to keep up with demand, organisers said.

Nepal receives more than 300 days of sunlight a year, more than Germany, the world leader in solar power, making it an ideal hotspot to harness renewable energy.

With a price tag of \$6,500 for a 4,200-watt system, solar remains too expensive for many households in a country with a per capita annual income of \$700.

A more basic 120-watt package costs about \$400 to power six lightbulbs and charge one laptop or a mobile phone.

AFP

pg 49-01/02/16

Deccan Chronicle

OUR STRUGGLES PAYING OFF: WHITEFIELD RISING

DC CORRESPONDENT
BENGALURU, JAN. 31

Members of Whitefield Rising feel that the state government is serious about the views and opinions expressed by the group on the role of infrastructure in attracting future investments to the state. "When we started Whitefield Rising, it was thought that citizens had nothing to do with the politician and the government. But over the course of time, the importance of our interactions has

Transformers in the area have been upgraded and shifted from footpaths

been realised," they said. Because of such interactions, some of the transformers in Whitefield areas have been upgraded and shifted from footpaths. sewage line connections in majority of Whitefield areas have been synchronised before road works and additional funds have been sanc-

tioned for 110 rural areas which were not part of the project, they said. They have suggested ducts for optical fibre cables (OFCs) to reduce problems being faced by road users.

Following repeated discussions with the BBMP, a road digging protocol through an online system has been put in place. Co-ordination between various agencies, such as BWSSB, Gail, Bescom and OFC companies has increased, putting an end to chaos, they said.

The Hindu
12/15 8.8.15

CIL in a fix over output, pricing

KOLKATA: Amid sluggish demand, Coal India Ltd. (CIL) is facing dilemma over production and finding it difficult to further stock the fuel, even as the PSU major is not keen to rationalise prices and rather looks at methods to boost sales to keep weak subsidiaries in profit.

CIL has reached a situation when the production cannot be optimised due to inability to stock coal further, which has already reached 40 MT due to sluggish demand.

"The current pricing has helped Eastern Coalfields to pull it out of red. If prices are rationalised it might turn difficult to keep weak subsidiaries in profit," a Coal India official told PTI.

"We are trying our best to use alternate economic strategies to push sales keeping pricing tool as the last resort,"



he added. Eighty per cent of Coal India's coal sales is to power plants and dumping further coal at their stock yards is getting difficult due to security reasons.

"Dumping more coal to power plants is getting difficult as average stock to them has gone up to 25 days against 11 days last year.

"This is neither economical and increases risk of fire," the official said.

Combined stocks of ther-

mal coal at 101 power plants have risen to a new record of 34.2 MT.

mal coal at 101 power plants in the country have risen to a new record of 34.2 MT.

CIL expects its dues will rise in the coming months as payment schedules has to be relaxed to push coal.

Lower demand from state generation companies and continuing easing of international coal price has multiplied the problem.

The dilemma is despite the fact that under the circumstances government wants coal production growth should continue at the same rate of over 9 per cent, officials said. — PTI



ELECARAMA-2016

THE WORLD ELECTRICITY FORUM
13-17 FEBRUARY 2016, BIEC, BENGALURU, INDIA



your link to electricity

E-Times pg 19 11/2/16

CONSUMER CONNECT INITIATIVE

IT'S ALL ABOUT POWER

ELECARAMA, evolving with the times and equipping the electrical industry for the future

India today is the world's third largest producer of electricity; it is an indicator of India's position in the global power equation. India's ambitious endeavour to add 700GW by 2030 would be having a global impact and define the dynamics from fuel to tech-



"It gives me immense pleasure to know that the Indian Electrical and Electronics Manufacturers' Association (IEEMA) is organising 12th edition of flagship event 'ELECARAMA' in Bengaluru.

Under the "Make in India" vision of the Honorable Prime Minister, "The World Electricity Forum" being organised by IEEMA will be the right platform for India to take upon itself the onus of leading the electronics and electrical sector in the world.

For opening doors of opportunity for the Indian SMEs and MSMEs, we are supporting ELECARAMA-2016 with a reverse buyer seller meet, which is a direct business opportunity that shall generate considerable volumes of business for Indian manufacturers and component suppliers.

Wishing the team ELECARAMA and IEEMA all the very best."

Nirmala Sitharaman
(Minister of State
(Independent Charge) for
the Ministry of Commerce &
Industry)

nology adoption.

The world of electricity is moving leaps and bounds in the technology. India interestingly happens to be in the epicenter of this threshold change, given its vast ramping up for electrical energy infrastructure through traditional as well as alternate modes using renewables and also increasing instances of localised generation which link to micro and even nano grids. And on the power transmission and distribution front technology has come to augment the efforts made in the direction of managing the key challenge areas of losses and inefficiencies

ELECARAMA-2016 explores these new frontiers in technology through its offering of exhibition displays and a slew of concurrent events, prominent of them being the second edition of the international T & D conclave, that brings in the futuristic perspective of technology and demand, exploring the challenges and breakthroughs in integrating renewables with the grid, while using technology to manage demand, and consumption to reduce distribution losses. A renewable energy pavilion will be on display will feature strengths of the Indian Industry in the renewable sector.

The future requires seamless access to power, which is the basis of the theme 'Energies of Tomorrow' that will explore the future that is smart and

sustainable and 'Evolution of 125 years of Electricity', which will also be captured in a coffee table book version.

These pavilions are conceived and executed in collaboration with premier global scientific society - IEEE.

ELECARAMA's endeavour to be the flag bearer of the Industry is not just limited to the exhibition and conferences but also it will play the role of a mentor and guide to the future generations of engineers. The structured effort in the direction has been the hugely popular engineering talent competition engineer infinite that has, from a pool of more than 1,300 technical institutions who had submitted entries. On further evaluation and elimination, a shortlist of 70 were given would be showcasing their innovations at ELECARAMA-2016. The winning entries would be eligible for attractive cash prizes. But all the students part of the final 70 entries would get an unparalleled exposure to the industry and also exchanges with the industry leaders through structured interaction opportunities like 'Coffee with Sir'.

ELECARAMA-2016 promises to be a global platform where the global leaders, movers and makers of the power fraternity will come together to find answers to the rapidly evolving scenario in the electricity sector. ELECARAMA-2016 to be held for five days at the Bangalore International Exhibition Centre, starts from February 13.