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RADIANT EYES MEGA SOLAR PROJECTS

■ It has executed numerous solar projects for educational institutions, govt bodies and others till date

Anjali Gandhi Nambiar, Director, Radiant Solar, has over 15 years of experience in sales and marketing. She worked for Fortune 500 companies, including Robert Half International, where she was recognized as a Top Producer in the Presidents Sales Club for the company worldwide, Hudson Global Resources and Astrowix. She has rich experience in wide range of skills including business development, public relations, project management and human resources. She holds Bachelor's and Master's degrees in English from Lady Shri Ram College in New Delhi and an MBA from International Management Institute in New Delhi. Recently, she also completed an entrepreneurship programme from Indian School of Business, which was sponsored by Goldman Sachs. In the wake of sever power cuts in Andhra Pradesh and Telangana, Nambiar talks to Lata Jain on alternate power generation which is the need of hour in both the states.

Can you throw some light on the 75 power plants that your company has installed till now?

Radiant Solar is a Ministry of New and Renewable Energy (MNRE) approved channel partner for Indian government. Based in Hyderabad, we are a design, manufacturing and integration company for residential, commercial and industrial power generation through land and roof top solar installations. Our plant is located at FAB city SEZ in Hyderabad. Our company is committed to promoting green energy choices to combat global warming. We are currently the market leader in certain geographies in Kerala and Southern India. Some of the big projects we had executed include a 100kW solar power plant for Mar Baselios College of Engineering and Technology in Trivandrum, 100kW for Pushpagiri Medical College in Tiruvalla, 80kW for MES College of Engineering, Kuttipuram, 63kW for Jyothi Engineering College, Thrissur and 30kW for Thangam Hospital in Palakkad, 30kW for MACFAST, Tiruvalla and 20kW for Sagar group of colleges in Hyderabad. We also executed 30kW plant at Parijatha Hotel, Bangalore, 25kW at MCIL Corporation, New Delhi, 15kW for Govt of Kerala(ANERT) and scores of other projects.

All these projects are running successfully with absolutely little or no downtime and all these are MNRE subsidy approved projects. Our clients have commended us and appreciated us for the seamless service provided to them for easing out all the procedural issues that were tackled by the Radiant Solar Team with élan. All the subsidy paperwork is handled at our end. We also have our installations at Administrative Staff College of India, Indian Army, Technopark Trivandrum, ICRISAT in Hyderabad and hundred other installations across India.

How and when did you start the company? What are the areas you deal with?

The company was set up in CA, USA in 2007. We started out as a system integration company and then concentrated our focus solely on solar power plants. We have recently started manufacturing 'A' Grade solar modules for local consumption and exports. Our focus through the years has been on quality products and excellent customer service. 90 per cent of our team is engineers and they know what they are doing as opposed to the general scenario in the renewable energy sector. Our main success is attributed to our team.

What were the early challenges you faced?

The solar industry has been growing fast. Record amounts of new solar capacity have been installed over the past two years. The accelerating pace of adoption of solar panels for distributed generation (installed at the point of use, rather than sold into the power grid) and the downward trend of module prices have created exuberance over the industry's future. Solar power has reached and eclipsed price parity with traditional fuel sources in some markets, and ultimately the potential market for solar PV is huge. It is clear that the future is very bright for the industry. What is less clear is when growth will accelerate and how near term challenges for the industry could create some rough patches for the industry before widespread adoption drives truly explosive industry growth.

These two merging dynamics – dropping solar costs and rising utility rates for electricity - have caught the eye of more than a few investors and analysts. Return of Investment is now being achieved within four years so people are seeing the sense in investing in clean energy. The challenge has been that small companies like ours have struggled while collecting subsidy from MNRE. Collection of MNRE-approved funds takes a long time at the Govt-end and this creates working capital problems for companies like ours. In Australia, subsidy is released by the Govt in a month! On the upside, we are very excited about how this industry will shape up now that Narendra Modi government has promised to take solar to the next level.

Tell us about some of the major projects that your company has undertaken…

We are known for our Institutional work in the industry. From Solarizing India's first engineering college in Kerala to setting up 100kW plus power plants for several other colleges, hospitals, schools, hotels, residences; our focus has always been on delivering quality installations to our clients.

Tell us about your association with Australia-based Regen Power…

Regen Power Australia is our financial and technology collaborator. It is a design, development and system integration company focused on power conversion, monitoring and management needs of the renewable energy market. Prof. Chem Nayar, Professor Emeritus, Curtin University, is an authority in renewable energy like solar and wind. He is the Chairman of Regen Power and has several patents to his name. Our strategic partner is Thailand-based Leonics Company Limited. Leonics is a pioneer in power electronics with experience implementing large power farms of megawatt capacity in various Asian countries. We are extremely proud of our association with them as our focus is to deliver the best money can buy to our end customer.

When will we see households using solar energy in their day-to-day activity in India?

In the next 5 to 10 years, the landscape for RE will be very different from now. Unlike Germany which is one of the biggest users of solar, sunshine is fortunately abundant in India. We need to take a leaf from Germany's efforts and solarize our homes. I live in a solar home and everything except my ACs run on my power plant. I pay a maximum of Rs 4-5000 in the summer months for a five bedroom villa. In the winter months, the bills are negligible. The best part is the whole process is seamless. The switch from the grid to solar to batteries is automatic the way we set it up. Architects and builders need to plan better and incorporate green buildings in their design aspects for a sustainable future.

Tell us about the products you offer. What is competition like?

We manufacture and export quality solar modules. We have seen the advent of many companies in the last few years in this space as it's a lucrative industry. Competition is healthy as it forces you to innovate and be creative and strive for excellence in your space. But we have seen that very few companies go the extra mile for their customers the way we do in educating them on what's the best solution for them. We are proud to say our team is solid when it comes to designing a quality solar system for our clients. Each proposal we design for our clients goes through three rounds of quality control before being submitted to the client. We might be an expensive option but we are definitely a most quality competitive and reliable bet. We always use the example of a Mercedes and Maruti.

What are your plans for the future?

Our plan is to grow over the years and execute large mega watt projects to supply power to the utility grid and to manufacture next generation modules.

DIGITISATION OF BANKING

Scramble for customers

Dr K Srinivasa Rao

Ever since the banks have moved to digital banking, seminal changes are seen in the way banking services are delivered. Proliferation of 'technology led alternate delivery channels' provided virtual banking services with seamless integration across the globe.

With easier access to bank account on 'anytime, anywhere' mode, the hassles of carrying large cash is reduced. Funds can now move electronically across accounts maintained even in different banks removing barriers of geography. Thus it is now possible to operate the bank account at customer's place of choice.

Moreover, with demographic shift in the profile of bank customers, more and more prefer to use digital mode of banking. The number of Gen –Y educated population moving up, the preference for using nontraditional mode of banking service is set to rise further. Customers, more particularly in metro-urban have now begun to appreciate the digital mode of banking but as far as its penetration to hinterland is concerned, it is yet a long way to go. Recognising the merits of digital banking, banks have been strategically pursuing not only capacity building in terms of electronic presence but also on working to innovate more value added services and electronic banking products, keeping customer aspirations in mind.

It is significant to observe that the number of Automated Teller Machines (ATMs) have outpaced the number of physical bank branches. In Dec 2013, the number of ATMs has reached 1,41,516 as against 1,11,778 bank branches shaping a new era of digital thrust. As a result, we have one bank branch to serve a population of 14,300 as against one ATM for a population of 11,300 indicating the increased density of electronic penetration levels.

In addition, the surge in the number of Point-Of-Sale terminals/hand held devices provided to Business Correspondents (BCs) and lap top access provided at ultra small branches have also increased the electronic touch points. The number of debit cards issued to customers has increased from 228 million in March 2012 to 400 million by April 2014. Going beyond ATM expansion, many banks have set up self service 'E-kiosks' in different forms.

These kiosks provide a range of electronic banking services to retail segment of customers round the clock such as 'Cash withdrawal/acceptance' 'pass book updating' 'cheque-deposit' 'access to internet banking', 'obtaining statement of account' and so on. The enabling electronic equipments are placed in these kiosks with operating procedures prominently displayed. These kiosks can serve most of the routine needs of customers. But such good and convenient facilities come at a great capital and recurring maintenance costs.

Going beyond ATM, many banks have set up self service 'e-kiosks' offering a range of electronic banking services such as 'cash withdrawal/ acceptance', 'pass book updating', 'cheque-deposit', 'access to internet banking', 'obtaining statement of account' and so on

Besides improvement in the speed and efficiency in customer service, another key purpose of adopting such state of the art technology by banks is to reduce transaction cost so that banking services can be further made cost efficient. Despite such concerted efforts, the number of digital banking consumers is far less in India compared to China which is a comparable country in terms of population. In 2012, the number of digital consumers in India was 100 million as against 380 million in China, which is set to rise to 450 million in India and 900 million in China by 2020. Thus it projects a promising future for digital banking in India.

But the biggest challenge for banks is to not only issue debit cards to every active account holder but also persuade them to use it. Having invested a large sum of money to build capacity to disseminate electronic banking services, the next task is to gently improve the appetite of customers to use alternate delivery channels. Keeping the aspirations of digital consumers, banks have been adding new 'online' facilities which could be operated from mobile/i-pads/laptops going beyond remittances.

(The author is with Bank of Baroda as General Manager. The views expressed here are his own.)

How to pick your MF?

■ *Look beyond performance of the fund vis-à-vis the benchmark*

K Naresh Kumar

Most experts opine that mutual funds are the most economical and transparent means of investment into equity markets. One finds enamored by the marketing bling about the star performers and the mind-boggling and at times unbelievable returns they generate. So, how could one end up picking the right fund to his advantage? I would broadly classify two parameters to evaluate a fund viz, Fundamental and Technical, very much similar to that of a stock analysis.

The fundamental parameters to focus in a fund are: 1) History of the fund house, 2) Fund Returns, 3) Fund Size, and 4) Expense ratio.

Smaller funds have constraints of optimal allocation leading to risk concentration and possible underperformance, while larger funds tend to become less nimble and near-replication of the benchmarks, hindering outperformance

The track record of a fund house helps one to evaluate on the consistency in launching and retaining its funds. The range and the performance across the asset classes indicate an ability of the fund house to attract the right talent pool of highly skilled research teams and experienced fund managers. This is critical especially in the long term investment nature of equity.

The fund performance across the market cycles needs to be checked not just for a particular period. This helps in getting insights of how it responds or reacts during a bull or bear phase of the market. Also, look beyond the performance of the fund vis-à-vis the benchmark but versus the category average to identify how it stacks up against the peer group.

Though there is inconclusive evidence linking the size of the fund to the performance, it's always ideal to pick a moderate sized fund. This is because a smaller fund has constraints of optimal allocation leading to concentration risk and possible underperformance, while very larger funds tend to become less nimble and near-replication of the benchmarks in the long run, hindering outperformance.

Expense ratio shouldn't be the sole parameter for deciding on a fund, though, the lesser the better. When puzzled with funds with good track record, opt for a fund with lower expenses. However, be aware that expenses are higher with actively managed funds and tend to decrease as corpus increases.

The technical parameters or statistical tools to evaluate a fund are: Standard Deviation, Beta, Alpha, Sharp Ratio and R-Squared. Standard deviation (SD) measures the degree of the fund's volatility. It provides information about how much the fund fluctuates from its mean or average return. The larger the deviation the higher the risk; so ideally opt for a lower SD when comparing two equal performing funds of the same category.

Beta measures the volatility with respect to the market. So, it throws the sensitivity of the fund with respect to the market swings. Note that market beta is always one and any higher beta depicts higher volatility of the fund. Risk-averse investors are better off avoiding funds with higher beta.

Alpha defines the fund's value addition or the performance over its benchmark. A positive alpha suggests an outperformance of the index by that much percent while a negative alpha represents underperformance. So, it's always better to avoid funds with negative alpha. Sharp Ratio gives the measure of risk to return or risk adjusted return. It estimates the levels of risk the fund takes to achieve the returns. Higher sharp ratio indicates higher returns at lower risk and vice-versa. Opting funds of higher sharp ratio within its peer group makes sense. R-squared helps one to understand how much of the fund's performance could be attributed to that of the market. It brings out the correlation between the fund and the benchmark. A 'zero' indicates no correlation and 1 indicates perfect correlation. Its better to opt an index fund as it has lesser expense ratio instead of higher R-squared equity fund.

One needn't sweat it out to obtain this information, as these indicators are available for free by most of the fund houses and other research firms.

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18 signs that the global economic crisis is accelerating as we enter H2 2014

Michael Snyder

A lot of people that I talk to these days want to know "when things are going to start happening". Well, there are certainly some perilous times on the horizon, but all you have to do is open up your eyes and look to see the global economic crisis unfolding. As you will see below, even central bankers are issuing frightening warnings about "dangerous new asset bubbles" and even the World Bank is declaring that "now is the time to prepare" for the next crisis. Most Americans tend to only care about what is happening in the United States, but the truth is that serious economic trouble is erupting in South America, all across Europe and in Asian powerhouses such as China and Japan. And the endless conflicts in the Middle East could erupt into a major regional war at just about any time.

We live in a world that is becoming increasingly unstable, and people need to understand that the period of relative stability that we are enjoying right now is extremely vulnerable and will not last long. The following are 18 signs that the global economic crisis is accelerating as we enter the last half of 2014.

1) The Bank for International Settlements has issued a new report which warns that "dangerous new asset bubbles" are forming which could potentially lead to another major financial crisis. Do the central bankers know something that we don't, or are they just trying to place the blame on someone else for the giant mess that they have created?

2) Argentina has missed a $539 million debt payment and is on the verge of its second major debt default in 13 years.

3) Bulgaria is desperately trying to calm down a massive run on the banks that threatens of spiral out of control.

4) Last month, household loans in the eurozone declined at the fastest rate ever recorded. Why are European banks holding on to their money so tightly right now?

5) The number of unemployed jobseekers in France has just soared to another brand new record high.

6) Economies all over Europe are either showing no growth or are shrinking. Just check out what a

recent Forbes article had to say about the matter…

7) A few days ago it was reported that consumer prices in Japan are rising at the fastest pace in 32 years.

8) Household expenditures in Japan are down 8 percent compared to one year ago.

9) U.S. companies are drowning in massive amounts of debt, but the corporate debt bubble in China is so bad that the amount of corporate debt in China has actually now surpassed the amount of corporate debt in the United States.

10) One Chinese auditor is warning that up to 80 billion dollars worth of loans in China are backed by falsified gold transactions. What will that do to the price of gold and the stability of Chinese financial markets as that mess unwinds?

11) The unemployment rate in Greece is currently sitting at 26.7 percent and the youth unemployment rate is 56.8 percent.

12) 67.5 percent of the people that are unemployed in Greece have been unemployed for over a year.

13) The unemployment rate in the eurozone as a whole is 11.8 percent - just a little bit shy of the all-time record of 12.0 percent.

14) The European Central Bank is so desperate to get money moving through the system that it has actually introduced negative interest rates.

15) The IMF is projecting that there is a 25 percent chance that the eurozone will slip into deflation by the end of next year.

16) The World Bank is warning that "now is the time to prepare" for the next crisis.

17) The economic conflict between the United States and Russia continues to deepen. This has caused Russia to make a series of moves away from the U.S. dollar and toward other major currencies. This will have serious ramifications for the global financial system as time rolls along.

18) Of course the U.S. economy is struggling right now as well. It shrank at a 2.9 percent annual rate during the first quarter of 2014, which was much worse than anyone had anticipated.

But if U.S. economic numbers look a bit better for the second quarter, that doesn't mean that we are out of the woods. As I have stressed so many times, the long-term trends and the long-term balance sheet numbers are far, far more important than the short-term economic numbers. For example, if you went to the mall today and spent a thousand dollars on candy and video games, your short-term "economic activity" would spike dramatically. But your long-term financial health would take a significant turn for the worse. Well, when we are talking about the health of the U.S. economy or the entire global financial system we need to keep the same kinds of considerations in mind.

As for the United States, whether the level of our debt-fueled short-term economic activity goes up a little bit or down a little bit is not what is truly important. Rather, the fact that we are nearly 60 trillion dollars in debt as a society is what really matters. The same thing applies for the globe as a whole. Right now, the citizens of the planet are more than 223 trillion dollars in debt, and "too big to fail" banks around the world have at least 700 trillion dollars of exposure to derivatives. So it doesn't really matter too much whether the short-term economic numbers go up a little bit or down a little bit right now. The whole system is an inherently flawed Ponzi scheme that will inevitably collapse under its own weight.

Let us hope that this period of relative stability lasts for a while longer. It is a good thing to have time to prepare. But you would have to be absolutely insane to think that the biggest debt bubble in the history of the world is never going to burst.

(Courtesy: www. theeconomiccollapseblog.com)