

NEWS FLASH – 14TH July, 2016

SUGAR

DCM Shriram becomes first to achieve zero cane dues, others likely to follow suit

DCM Shriram Ltd has become the first miller to make 100 per cent payment to sugarcane growers against the Uttar Pradesh government's state advised price (SAP) for the 2015-16 crushing season.

The Ajay S. Shriram-promoted company has paid the entire SAP value of Rs 793.44 crore for the cane supplied by farmers to its four mills at Ajbapur (Lakhimpur Kheri district) and Rupapur, Hariawan and Loni (all in Hardoi). Latest data from the Cane Commissioner's Office in Lucknow shows four other major companies that had, as on Monday, paid at least 90 per cent of the value of their cane purchases at the average SAP rate of Rs 280 per quintal fixed by the UP government for the just-ended season.

These are Balrampur Chini Mills (Rs 1,812.60 crore of payment against SAP value of Rs 1,934.32 crore), Dalmia Bharat Sugar and Industries (Rs 532.91 crore out of Rs 582.73 crore), Dwarikesh Sugar Industries (Rs 540.79 crore out of Rs 593.38 crore) and DCM Shriram Industries/Daurala Sugar (Rs 400.52 crore out of Rs 435.70 crore).

There are four other major companies /groups that have discharged 80 per cent or more of their SAP cane dues: K.K. Birla (Rs 870.47 crore out of Rs 969.59 crore), Wave (Rs 394.05 crore out of Rs 458.16 crore), Dhampur Sugar Mills (Rs 1,090.71 crore out of Rs 1,260.21 crore) and Triveni Engineering & Industries (Rs 1,068.54 crore out of Rs 1,269.40 crore).

"All these companies are likely to make 100 per cent SAP payments by this month-end, while DCM Shriram managed to do it by June-end", said an industry source. At the other extreme are companies/groups that have not discharged even a third of their SAP dues: UK Modi (Rs 28.27 crore out of Rs 405.34 crore), Mawana Sugars (Rs 200.90 crore out of Rs 610.69 crore), Simbhaoli Sugars (Rs 170.19 crore out of Rs 505.33 crore) and Rana Sugars (Rs 134.90 crore out of Rs 399.93 crore). UP's (and India's) biggest sugar miller, Bajaj Hindusthan Ltd, has also paid only Rs 2,054.92 crore or 72.2 per cent out of the Rs 2,847.45 crore payable to its cane growers at the SAP value.

In all, UP millers bought 64.28 lakh quintals of cane during the 2015-16 season (October-September), which was worth Rs 17,999.37 crore at the SAP. As against this, they have made Rs 13,864.98 crore of payments. That still leaves Rs 4,134.43 crore of dues. Cane price arrears as well the SAP payable for the coming season from October could be a major issue in the state that is headed for Assembly elections early next year.

(Source-<http://www.indiansugar.com/NewsDetails.aspx?nid=5747>, published in The Indian Express on 13th July, 2016)

Sugar continues to stay steady

Sugar prices continued their steady trend for fourth consecutive day on routine demand, supply and volume. Naka and mill tender rates were also unchanged. Currently, arrivals and local dispatches at Vashi remained at par keeping market inventory stable at 110-115 truck loads. Freight rates were up ₹ 3-5. Arrivals at Vashi were about 61-62 truck loads and local dispatches were at same level. The Bombay Sugar Merchants Association's spot rates: S-grade ₹ 3,616-3,692 (3,616-3,692) and M-grade ₹ 3,696-3,832 (3,696-3,842). Naka delivery rates: S-grade ₹ 3,580-3,670 (3,580-3,670) and M-grade ₹ 3,640-3,770 (3,640-3,770).

(Source-<http://www.thehindubusinessline.com/markets/commodities/sugar-continues-to-stay-steady/article8844432.ece>, published on 13th July, 2016)

Co-gen/Power

Government in talks with US over solar dispute in WTO: Piyush Goyal

Government is in talks with the US over a dispute at global trade body WTO on a solar mission and would decide on filing suits against the western country based on the outcome of the talks, Union Power Minister Piyush Goyal said today.

"The Indian government believes in discussion, dialogue, consultation and resolution of issues, rather than going through the legal processes, which are usually long-drawn," he told reporters here.

"Therefore, after having acceded to that request, consultations are going on. Should the United States agree to our point of view, which is a very honest and fair point of view. We may not need to file those cases. If they do not agree with our point of view, we can always file those cases," he said.

The Minister, who was here to review Karnataka's coal, power and mining sectors, said the government was on the verge of filing seven of the 16 cases initially after receiving the request from the United States for bilateral discussions and consultations.

India's ambitious Jawaharlal Nehru National Solar Mission was in the eye of a storm after the US filed a case in WTO against the government's support to the programme.

(Source- <http://indianpowersector.com/2016/07/government-in-talks-with-us-over-solar-dispute-in-wto-piyush-goyal/>, published on 13th Jul, 2016)

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)

India's coal problems are now history: Piyush Goyal

Coal problems are now history and the target is to further boost domestic production to cut down on the imports that will result in savings to the tune of Rs 40,000 crore this year, Union Power Minister Piyush Goyal said today.

"Coal problems are history in India. Last year, the reduction in imports of coal saved Rs 24,000 crore and this year the target is Rs 40,000 crore," he told reporters here.

The Minister was in the city for reviewing issues related to power, coal, renewable energy and mines sectors with Karnataka government.

From 2-3 days stock of coal available to power plants to 51 days stock, it was a reflection of the hard work and commitment of all mine employees, Goyal said.

He also said the country should look at doubling its mineral output in the next 3 to 4 years and become a net exporter of minerals.

Goyal said he had requested Karnataka government to come up with plans for rapid expansion of output of mines and creation of jobs in the state.

On Karnataka government signing central power scheme UDAY, even though it has accepted only the operational efficiencies and not its financial aspects, he said union government was willing to help the state in every possible way.

"The Central government has been requesting Karnataka government to sort out right of way issues so that transmission lines can be laid out smoothly," he added.

In the last 2 years, the capacity of the Southern grid has been increased by 71 per cent, he said.

Goyal said there were four ongoing power projects linking various states to bring surplus power from the central grid to Karnataka but these had been stalled for last several years due to demand of high compensation.

Karnataka government had now agreed to provide all assistance to complete these projects, Goyal said, adding, once operational these would help the state in getting additional power.

The centre has also approved a Renewable Energy Management Centre for Bengaluru to support large scale grid integration, Goyal added.

(Source- <http://economictimes.indiatimes.com/industry/energy/power/indias-coal-problems-are-now-history-piyush-goyal/articleshow/53179847.cms>, published on 12th July, 2016)

Gurgaon to be 1st city without diesel gensets

Gurgaon is set to become the first city in the country to get a full-scale smart grid that would rid it of blackouts and make it diesel genset-free, reports Sanjay Dutta. It will allow users to reduce power bills by turning into 'prosumers' -becoming suppliers during the day by feeding surplus power from solar systems into the mains and drawing in the night.

At a meeting between power minister Piyush Goyal and Haryana CM M L Khattar on Monday, the Centre committed a grant of Rs 273 crore, or 20% of the Rs 1,382 crore needed for the first phase. Power Grid has floated the tender and bids are to be opened on July 22. The project is likely to be completed in 18 months from the date of award of tender.

(Source- <http://timesofindia.indiatimes.com/city/gurgaon/Gurgaon-to-be-1st-city-without-diesel-gensets/articleshow/53164937.cms>, published on 12th July, 2016)

Business quote of the day

Rank does not confer privilege or give power. It imposes responsibility. -

Peter Drucker