NEWS FLASH – 17th May, 2016

SUGAR

Sugar stocks end on a mixed note; Simbhaoli Sugars zooms 7.5%, Balrampur Chini down 1%

Sugar stocks closed on a mixed note after the Indian Sugar Mills Association (ISMA) said that there was no need for imports as domestic sugar stocks were adequate. The association believes that domestic sugar stock piles are enough to last for the coming 24 months and hence make the need for any imports redundant.

Simbhaoli Sugars Ltd (Merged) ended at Rs. 28.5, up by Rs. 1.35 or 4.97% from its previous closing of Rs. 27.15 on the BSE. The scrip opened at Rs. 28.5 and touched a high and low of Rs. 28.5 and Rs. 28.5 respectively. A total of 337236(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 80.46 crore.

Upper Ganges Sugar & Industries Ltd ended at Rs. 182.3, up by Rs. 10.2 or 5.93% from its previous closing of Rs. 172.1 on the BSE. The scrip opened at Rs. 175.1 and touched a high and low of Rs. 190.6 and Rs. 175 respectively. A total of 1068815(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 198.95 crore.

Balrampur Chini Mills Ltd ended at Rs. 108.25, down by Rs. 1.05 or 0.96% from its previous closing of Rs. 109.3 on the BSE. The scrip opened at Rs. 109.6 and touched a high and low of Rs. 112.7 and Rs. 108 respectively. A total of 3038006(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 2677.3 crore.
EID Parry (India) Ltd ended at Rs. 234.6, up by Rs. 4.15 or 1.8% from its previous closing of Rs. 230.45 on the BSE. The scrip opened at Rs. 230 and touched a high and low of Rs. 238.45 and Rs. 228 respectively. A total of 1345113(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 4051.65 crore.

(Source-http://sugarnews.in/sugar-stocks-end-on-a-mixed-note-simbhaoli-sugars-zooms-7-5-balrampur-chini-down-1-2/, published on 16th May, 2016)

I can protect the sugar mills but not give them the freedom to loot: Ram Vilas Paswan

Ram Vilas Paswan is one of the most experienced ministers in the Narendra Modi government. As the government moves towards a regime of better-targeted subsidies, Paswan, as in-charge of food and consumer affairs, is playing a crucial role in reforming the decades-old public distribution system. In an interview with Sanjeeb Mukherjee, the eight-time Lok Sabha MP says he would ensure that no one in the country dies of starvation, no matter how severe the drought is. Edited excerpts:

Sugar industry players are saying the Centre acted in haste by putting stock limit when the market just began looking up. Do you think government intervention was needed?

I am not only the food minister of this country but also the consumer affairs minister. As food minister, I needed to protect the farmers. And for that mills needed to survive. Here, I want to thank the Prime Minister for accepting all our proposals to help the farmers, be it on raising the import duty, softening of loans, or export subsidy… everything possible was done. That time also our intention was to mitigate the plight of the farmers and let their dues get cleared, which has happened. As a result, the mills survived and the ex-factory price of sugar rose from Rs 23-24 per kg to Rs 32-33. Till the ex-factory price was around Rs 34 per kg, it was fine with me. But the retail price kept on rising and in some places it went up to Rs 42-43 per kg. There were firm indications that the price was going to go up further in the coming months. In such a scenario, we had to act. I can protect the sugar industry but not give them the freedom to loot. As food minister, my job was to help the mills, which we did. And as consumer affairs minister, I could not allow a price increase beyond tolerable limits, which is why the government had to act.

If sugar prices don't come down, will you take more harsh measures?

Prices will come down as we don't have any shortage of sugar. It is just panic mongering which has pushed up prices. We might not need more interventions.

Do you think the volatility in sugar, seen in the past two years, will go away after the recent government interventions?

Definitely. But it must also be kept in mind that there are ups and down in any business. When you earn money, nobody is bothered. But questions are raised when you start losing money. Tell me, why was sugar de-controlled? Once it has been de-controlled, and everything is under the control of market, how is the government responsible for mills' profit or loss? Overall, I am not against sugar industry and don't have any biased opinion against them, but if consumers suffer and mills make profits, questions would be raised on my competence.

(http://sugarnews.in/i-can-protect-the-sugar-mills-but-not-give-them-the-freedom-to-loot-ram-vilas-paswan/, published ob 16th May, 2016)

UP: Sugar baron who owes over Rs 400 cr to farmers 'absconding'

Sugar baron Umesh Modi, who is the uncle of former IPL czar Lalit Modi, is absconding, UP police said on Saturday. Late on Friday night, an FIR was registered against Umesh, the youngest son of Modinagar founder Gujarmal Modi, at Modinagar police station. He owes close to Rs 420 crore to sugarcane farmers as arrears.

"An FIR was lodged against Umesh Modi, chairman of the Umesh Modi Group and owner of two sugar mills in western UP, at Modinagar police station. He owns the Modi Sugar Mill in Modinagar and the Malakpur Sugar Mill in Baraut, Baghpat. The charge against him is that he has not paid the arrears that he owes to sugarcane farmers. From the Modinagar mill alone, he owes close to Rs 150 crore to the region's farmers," said Brajesh Kumar Sharma, station officer at Modinagar police station.

Sources told TOI that from the Malakpur Sugar Mill, Modi owes close to Rs 270 crore in cane dues. That takes the amount of dues up to Rs 420 crore. The sugar baron, cops said, is absconding. "The FIR was lodged by officials of the district sugarcane committee. We had orders to arrest Umesh Modi. We went to arrest him but, currently, he is absconding. He will be found soon," Sharma added.

Meanwhile, farmers' organisations are up in arms over Modi's alleged disappearance. "Nobody can deny the farmers their rights and run away like that. He should be arrested as soon as possible and put behind bars. The government should ensure that farmers are given their dues soon. Because of the delay in sugarcane payments, farmers are being pushed to the brink of bankruptcy. The government should not shield mill owners," said Vijender Singh, Bhartiya Kisan Union's (BKU) Ghaziabad district president.

(Source- http://sugarnews.in/up-sugar-baron-who-owes-over-rs-400-cr-to-farmers-absconding/,,published on 14th May, 2016)

Co-gen/Power

Coal India, NTPC to form JV for revival of fertilizer plants

Coal India, the world's largest coal miner, and NTPC, the country's biggest power generation company, have decided to collaborate and revive two gas-based fertiliser plants as part of efforts proposed by the government. The two state-owned companies signed an agreement for a joint venture that will restart the Sindri and Gorakhpur plants of the Fertilizer Corporation of India, Coal IndiaBSE -0.35 % said in a statement. The Central government had asked cash-rich public sector companies Oil & Natural Gas Corporation, NTPCBSE -0.32 % and Coal India to adopt one closed urea plant each for revival.

The revival of these plants was estimated to cost about Rs 18,000 crore over the next four years. Gas for the plants will be supplied through the proposed Jagdishpur-Haldia pipeline. State utility GAILBSE 1.97 % has been asked to expedite the pipeline from Jagdishpur in Uttar Pradesh to Haldia in West Bengal to provide connectivity to the closed urea plants at Gorakhpur in Uttar Pradesh and Sindri in Jharkhand.

Things, however, are at an initial stage and both companies will put their heads together in finalising a detailed roadmap and mapping details threadbare in the near future," a Coal India official said. The revitalisation of the fertiliser plants will help production of 1.27 million tonnes of urea per annum, along with associated chemicals from each plant, bridging a demand-supply gap of about 8 million tonnes a year currently. The Union Cabinet had approved a plan last year to revive the Barouni, Gorakhpur and Sindri fertiliser units through auctions. However, the response was poor with Adani the sole bidder for Sindri and Matix for Gorakhpur.

Having failed to revive the plants through auctions, the government asked NTPC and Coal India to take over the units. India's urea production touched a record 24.5 million tonnes in 2015-16. While the country's total demand is about 30 million tonnes, the rest is met through imports. Urea is a controlled fertiliser and its selling price is fixed at 5,360 per tonne.

(Source- http://economictimes.indiatimes.com/industry/indl-goods/svs/chem-/-fertilisers/coal-india-ntpc-to-form-jv-for-revival-of-fertilizer-plants/articleshow/52294821.cms,published on 17th May, 2016)

ETHANOL

Oil firms to buy more ethanol from dry state of Bihar

Weeks after Bihar banned sale of liquor, the Centre has asked state-owned fuel retailers to buy as much ethanol as they can from distilleries in the state for mixing in petrol.

Bihar, which in early April banned sale of liquor in the state, had asked the Oil Ministry to explore if Indian Oil Corp (IOC), Bharat Petroleum Corp Ltd (BPCL) and Hindustan Petroleum Corp Ltd (HPCL) can lift the entire ethanol produced by the distilleries in Bihar.

The Ministry discussed the Bihar government request with the oil marketing companies and asked them to maximise procurement of ethanol from the state, official sources said.

According to oil companies, about 6 crore litres of ethanol may be produced in Bihar through sugarcane molasses.

The oil firms will strive to absorb this ethanol for their programme to mix sugarcane extracted ethanol in petrol, to help Bihar, they said adding the move was likely to give about Rs 300 crore to farmers of the state through sugar mills / distilleries.

This will also ensure proper utilisation of molasses in the state.

As part of its plan to cut dependence on import to meet oil needs, the government is promoting use of alternate renewable sources of energy such as bio-ethanol and bio-diesel.

As much as 5 per cent ethanol is doped in petrol that is sold in 21 states and four Union Territories, sources said adding the plan is to raise the blending to 10 per cent.

The programme to mix ethanol extracted from sugarcane molasses was started in 2003 with a view to cut India’s dependent on imports to meet its oil needs as well as provide remunerative price to sugarcane farmers but not enough supplies was available all these years.

Against the requirement of minimum 120 crore litre of ethanol for meeting the mandatory 5 per cent blending, only 30.6 crore litre was doped in 2011-12 which dropped to 15.4 crore litre in the following year.

During the sugar year 2013-14, only 38 crore litres of ethanol was available for blending with petrol as against the requirement of 120 crore litres that year.

The NDA government after coming to power in 2014 decided to raise the price at which ethanol will be procured to Rs 48.5-49.5 per litre. This resulted in 67.42 crore litres of ethanol coming in during 2014-15 sugar year (October 2014 to September 2015).

In the sugar year 2015-16, the government is hopeful of exceeding the 5 per cent target, sources said.

Oil firms have floated tender for buying 266 crore litres of ethanol procurement with a view to meet 10 per cent blending target, they said adding more than 135 crore litres has been offered for the current sugar year.

India consumes 2,800 crore litre of petrol and to meet 5 per cent blending would need 140 crore litre of ethanol.

(Source- http://sugarnews.in/no-25-j-b-nagar-near-bagaraka-college-andheri-kurla-road-andheri-east-mumbai-400059-land-mark-opposite-kohinoor-continental-hotel/, published on 15th May, 2016)

Thought of the day

'The best and most beautiful things in the world cannot be seen or even touched - they must be felt with the heart.' -Helen Keller