

MOVE AIMED AT ENSURING ADEQUATE SUPPLY OF THE SWEETENER

Govt may ban ethanol diversion

SANDIP DAS
New Delhi, October 5

WITH PROSPECTS OF a decline in sugar production looming large because of rainfall deficiency in key growing regions, the government is likely to disallow the diversion of sugarcane juice and B-heavy molasses for ethanol production from the 2026-27 ethanol supply year (ESY), which commences from November 1.

Sources told *FE* the measure aims to stop mills from diverting sugar for ethanol production to ensure adequate domestic supplies of the sweetener in the 2026-27 season (October-September). The move comes as around 3 million tonne (MT) of sugar or 10% of the total output, was diverted for ethanol production in the current ESY.

Sugar mills will likely be allowed to use ethanol from C-

TACKLING SHORTAGE

■ Mills may continue using C-heavy molasses for ethanol production

■ Sugar-based feedstock could fall to **10-12%** of ethanol output from 26% currently

■ About 3 MT, or **10%**, of sugar output diverted to ethanol in 2025-26 ethanol supply year

■ In 2025-26 ESY, about 74% of ethanol came from grain-based feedstocks, led by maize



■ Deficient monsoon in Maharashtra, Karnataka could lower sugarcane output in 2026-27

heavy molasses, which contains less sugar content than other sugarcane feedstock.

A formal notification by the Food Ministry is likely to issue a formal notification soon. The ministry annually specifies the quantity of sugarcane juice or syrup and B-heavy molasses

that can be diverted for ethanol production to meet the 20% blending target with petrol.

"With the restriction on diverting sugarcane juice and B-heavy molasses for ethanol production, the share of sugar-based feedstock in ethanol

manufacturing in the next ESY may fall sharply to around 10% - 12% from the current year's level of 26%," a source said.

Industry sources estimate that only 2,750 million litres of ethanol, about 26% of the total requirement, was sourced

from sugar-based feedstocks for the 2025-26 ESY, compared to 7,610 million litres (74%) from grain-based sources—5,180 million litres from maize (47%) and 3,050 million litres from rice (27%).

There is a possibility of a fall in sugarcane output in the 2026-27 season, as major growing areas in Maharashtra and Karnataka have been hit by deficient monsoon rains, which

is likely to affect the yield. Sugar production, excluding diversion for ethanol, declined by 27% to around 28.1 MT in the 2025-26 season from 35.8 MT in 2021-22.

Consumption increased marginally, according to industry estimates, to 28.7 MT from 27.3 MT in the last five seasons. The average retail price of sugar stood at ₹55.28 a kg on Monday, up 20% year-over-year.

Oil & Gas may Get Centralised R&D Mechanism

Ministry for bringing together research centres of PSUs, national centres of excellence, private cos, startups & academia

Sanjeev Choudhary

New Delhi: The oil ministry has proposed a centralised mechanism to steer oil and gas research and development, including project allocation, funding, commercialisation and performance monitoring, as it seeks to align state-run companies and other institutions with common national priorities.

The government is currently seeking inputs from state oil and gas companies on its proposal to mandate the oil ministry's Centre for High Technology to serve as the Central R&D Coordination Mechanism (CRCM), according to people who have reviewed the draft proposal.

"Going forward, all new R&D projects proposed under the petroleum ministry R&D ecosystem will be submitted to the CRCM and assessed through the standardised project allocation framework for allocation to the entity, or combination of entities, best positioned to execute them," the draft has proposed. "Private industry participants may also bring forward problem statements/R&D requirements, which can be assessed and directed to the appropriate ecosystem participant(s)."



State firms will "continue to own and execute their respective R&D projects" while the CRCM will interface with them "through a layered governance architecture", according to the draft. The CRCM is also expected to identify and reduce duplication across R&D projects.

An industry executive said the draft suggests the proposed coordinating body would have significant powers over state companies' R&D programmes, potentially reducing their autonomy in the area.

"Setting national priorities in R&D

Proposal to mandate oil ministry's Centre for High Tech to serve as the Central R&D Coordination Mechanism

is a laudable objective but reducing competition in the name of duplication and controlling every project or funding may not bring the desired result," he said.

At present, all state-owned oil companies have dedicated R&D departments headed by a director or executive director. Indian Oil's R&D chief has a seat on the company's board, although the position is currently vacant.

The oil ministry's proposed ecosystem aims to bring together R&D centres of state-owned companies, national centres of excellence, private companies, startups and academia. "Each entity will play a differentiated role across the R&D lifecycle," per the draft.

State firms could work on research related to fuel grades and energy efficiency, while the private sector could focus on areas such as new process technologies and catalysts, according to the draft. National centres of excellence could take up areas including digital technologies, artificial intelligence, compressed biogas (CBG) and carbon capture, utilisation and storage (CCUS), while startups could focus on energy analytics.

The ministry has identified indigenous technology, leadership in future energy technologies and commercialization-led innovation as strategic themes for sectoral R&D, following a consultation in May with the leadership and R&D heads of oil PSUs. "The overarching ambition is to create an ecosystem that aligns institutions around common national priorities, strengthens coordination and accountability, and improves the effectiveness of R&D investments," per the draft.

IndiGo raises fuel surcharge from 6 Oct as ATF prices surge; airfares set to rise

STATESMAN NEWS SERVICE

New Delhi, 5 October

IndiGo will increase its fuel surcharge on domestic and international flights from 6 October, citing a sharp rise in aviation turbine fuel (ATF) prices amid heightened geopolitical tensions in West Asia. The move is likely to make air travel costlier for passengers.

This is the second increase in IndiGo's fuel surcharge since April. The airline had introduced the surcharge in March as fuel costs remained elevated.

For domestic flights, the revised surcharge will depend on the distance travelled. Passengers flying up to 500 km will pay an additional Rs 375, while the charge will rise to Rs 600 for journeys between 501 km and 1,000 km.



The surcharge has been fixed at Rs 900 for flights covering 1,001-1,500 km and Rs 1,150 for distances between 1,501 km and 2,000 km. For domestic routes exceeding 2,000 km, the additional fuel charge will be Rs 1,300.

The airline has also revised fuel charges on international routes, with the amount varying according to the destination.

Flights to the SAARC region will attract a surcharge ranging from Rs 1,000 to Rs 3,000, while passengers travelling to Africa will pay an additional

Rs 6,000.

For flights to Europe, the revised surcharge stands at Rs 10,000. The charge for destinations across Southeast Asia, the Gulf Cooperation Council (GCC), West Asia, North Asia and East Asia has been set at Rs 5,500.

IndiGo said ATF prices have been highly volatile in recent months, with the situation worsening amid geopolitical developments in West Asia. According to the airline, fuel prices rose by more than 14 per cent month-on-month, pushing ATF costs close to their highest levels in the past decade. ATF accounts for a substantial portion of an airline's operating expenses. IndiGo said the sharp increase was therefore putting pressure on its cost structure and the economics of operating its network.

BPCL plans \$3 b bond sale to fund Brazil project



Bharat Petroleum Corp Ltd (BPCL) is preparing an international bond sale to raise as much as \$3 billion, largely to fund a major oil project in Brazil and refinance debt maturing next year, according to people familiar with the matter. The largest share of the proceeds will help fund BPCL's \$2.8 billion contribution to the SEAP-I offshore development in Brazil, the people said, asking not to be named because the discussions are private. The refiner plans to raise the money in several tranches and held investor roadshows in London, Dubai and Singapore last month to gauge demand, they said. A BPCL spokesperson did not immediately respond to a request for comment. India seeks to diversify energy supplies The Brazil investment underscores India's accelerating push for overseas energy supplies as wars in the Middle East and between Russia and Ukraine disrupt traditional sources. BLOOMBERG



mint

Crude oil puzzle

Have West Asia's oil exporters found a way to bypass the Strait of Hormuz? So it would seem from latest Kpler data showing shipments from the region, excluding Iran's, hit 18.5 million barrels per day (bpd) for a stretch in the final week of September, crossing the 18 million bpd pre-war average. Since these figures exclude oil traffic through the strait that might have passed without being detected, the actual flow might be even higher. Credit for it goes to Saudi Arabia's pipeline that links its oil fields in the east to the Red Sea on its west coast and also the UAE's Fujairah pipeline that bypasses Hormuz. Oil markets have also been relieved by a decision of G-7 countries to release emergency stocks of crude oil and diesel. All this has helped pull down oil prices to about \$100 a barrel from \$110. But that's still far higher than the pre-war level of around \$70 a barrel. So what's the hold back? One theory is that earlier relief on account of China's stockpile drawdown has exhausted itself and current oil demand includes barrels to replenish reserves. Critically, Saudi oil infrastructure remains under war threat, with Iran seeming determined to keep fuel retail prices in the US high.



mint

'Global oil supply buffer scarily thin'

The oil stockpiles that cushion the world from supply shocks have become “scarily thin,” putting markets at risk of worsening unless the Strait of Hormuz reopens, according to the head of Saudi Arabia’s state producer.

Amin Nasser, chief executive officer (CEO) of Saudi Aramco, was speaking just days after governments in the world’s biggest economies announced plans to release as much as 100 million barrels of emergency oil and diesel stocks to ease rising fuel costs.

“Until Hormuz fully re-opens and confidence returns, the crude reality is that pressure at both ends of the barrel will intensify,” Nasser said at the Energy Intelligence Forum in London on Monday. “While the squeeze on crude is serious, refined fuel prices have risen even more sharply.” Releasing stockpiles will buy economies some time but won’t fix the imbalances between supply and demand, he added.

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BPCL PLANS \$3BN BOND SALE FOR BRAZIL OIL BET

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A BPCL spokesperson did not immediately respond to a request for comment.

The Brazil investment underscores India's accelerating push for overseas energy supplies as wars in the Middle East and between Russia and Ukraine disrupt traditional sources. State-run companies including BPCL and Oil and Natural Gas Corp. are preparing to boost investments abroad as the country, which imports almost 90% of its crude and about half its natural gas, seeks to diversify supply.

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Gilts end on a steady note before MPC decision on Wed

Government bond prices ended steady on Monday on caution before the rate decision of the Reserve Bank of India's Monetary Policy Committee on Wednesday, dealers said. A slight rise in crude oil prices did not have much of an impact as US Treasury yields eased, they said.

The ten-year benchmark 6.94% 2036 bond ended at ₹98.14, or a 7.2108% yield. Thursday's closing yield level was the highest since April 2024.

The bond's price moved in an 11-paise band on Monday after a long weekend did not materially change either policy expectations or shed more light on the direction of the US-Iran war. "We've largely been tracking oil prices and US yields, which have been moving sideways today, fortunately," a dealer at a primary dealership said. "With only one day to go before the big event, there is nothing much going on in the market beyond some minor position adjustments." **-Informist**

Hindustan Times 100

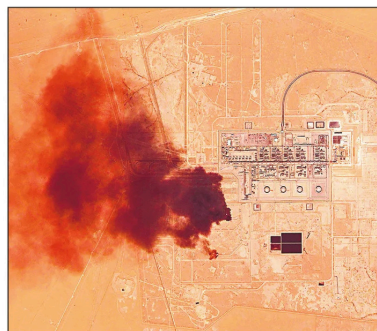
Oil supply buffer 'scarily thin', says Aramco chief

LONDON/TOKYO: The oil stockpiles that cushion the world from supply shocks have become "scarily thin", putting markets at risk of worsening unless the Strait of Hormuz reopens, according to the head of Saudi Arabia's state producer.

"Until Hormuz fully re-opens and confidence returns, the crude reality is that pressure at both ends of the barrel will intensify," Amin Nasser, chief executive of Saudi Aramco, said at the Energy Intelligence Forum in London on Monday. "While the squeeze on crude is serious, refined fuel prices have risen even more sharply."

Consumption of crude is still rising and countries will require even more supply for at least the next two years while rebuilding their inventories, Nasser said. That could mean additional demand of at least 2 million barrels a day, or even more if governments decide to increase the amount of oil they hold in stockpiles, he said.

When the US-Iran war began, the world had about 10 billion barrels of oil stocks, Nasser said.



A plume of black smoke near the Khurais pumping station of the East-West Pipeline after being hit by the Houthis east of Riyadh, Saudi Arabia. AFP

That has fallen to less than 6 billion, about 10% of which is practically available due to various technical restrictions, he said.

Saudi, UAE to cooperate in building oil stockpile

A framework for Saudi Arabia and the United Arab Emirates (UAE) to cooperate with Asian countries on oil stockpiling is set to be launched, with Japan supporting the initiative through financial assistance and stockpiling expertise, the Nikkei business daily said on Monday. **BLOOMBERG & REUTERS**

Abnormal Normal

Oil supplies through Hormuz now frequently exceed pre-war levels, but prices remain stubbornly high

For seven months, more or less, crude prices have tracked oil flows through Hormuz. So with Brent over \$100 a barrel now, you'd assume the flow remains a trickle. And you would be wrong. In fact, in the last week of Sept, supplies through the strait exceeded pre-war levels on four of seven days. Global shortfall over pre-war levels is down to just 1.6mn barrels a day. You could even say oil supply is back to "normal" despite Washington and Tehran maintaining hostile positions. But you'd be wrong again. Firstly, because as external affairs minister Jaishankar said, "You can't have oil above \$100 and pretend that things are near normal." And secondly, because this "normal" flow of oil is being kept up in the most abnormal way.

While significant volumes now move via pipelines and Red Sea – Saudi repaired its damaged pipeline fast – most oil and gas still have to run Iran's gauntlet through Hormuz. This is where things get



abnormal, and unsustainable. Instead of tankers loading at W Asian ports, and sailing to their final destinations, a "shuttle system" has been implemented, to avoid Iranian fire. Small vessels fill up at Saudi, Iraqi and other ports, and carry fuel to a safe point in Gulf of Oman, where it's transferred to large tankers. Problem is, this wastes time and fuel, and ties up tankers in the Gulf, pushing up sea freight rates.

And with the risk of strikes remaining high, ship insurance is also prohibitively expensive.

Where a large tanker charged around \$80,000 a day this time last year, the going rate is over \$1.2mn. So, freight now adds 27% to the delivered price of oil, as against 3% before the war, and has become a hurdle for lower prices. Nobody knows how long this will continue, although a Republican setback in next month's US midterms might bring pressure on Trump to lift his siege of Iran. After all, high petrol and diesel prices are biting Americans too. So far, he's sensibly refrained from imposing a penalty on India for buying Russian oil, which would upset the global supply calculus.

Meanwhile, in good news, Saudi has discounted Nov supplies to Asia, to soften the freight burden and maintain its market share. Russia has also started exporting oil via the Arctic route, from its new Bukhta Sever terminal. It hopes to ship an additional 600,000 bpd by mid-2027. So, things will get better, only not tomorrow.

ओमान बना भारत का सबसे बड़ा एलएनजी सप्लायर

नई दिल्ली, 5 अक्टूबर (एजेंसियां)। भारत के तरलीकृत प्राकृतिक गैस (एलएनजी) आयात परिदृश्य में सितंबर के दौरान बड़ा बदलाव देखने को मिला। ऊर्जा बाजार के आंकड़ों के अनुसार, ओमान भारत का सबसे बड़ा एलएनजी आपूर्तिकर्ता बनकर उभरा और उसने अमेरिका को पीछे छोड़ दिया। यह बदलाव ऐसे समय में आया है जब भारत पश्चिम एशिया में जारी भू-राजनीतिक तनावों के बीच अपने ऊर्जा आयात स्रोतों में विविधता लाने की रणनीति पर लगातार काम कर रहा है। ऊर्जा विश्लेषण कंपनी कप्लर के आंकड़ों के मुताबिक, सितंबर में भारत ने ओमान से 5.85 लाख टन एलएनजी का आयात किया, जो अगस्त की तुलना में 11.6 प्रतिशत अधिक था। इसके साथ ही भारत के कुल एलएनजी आयात में ओमान की हिस्सेदारी लगभग 27 प्रतिशत रही।

नाइजीरिया सितंबर में भारत का दूसरा सबसे बड़ा एलएनजी सप्लायर रहा। हालांकि वहां से आयातित मात्रा 3.51 लाख टन रही, जो पिछले महीने की तुलना में 35 प्रतिशत कम थी। वहीं, अगस्त में भारत का सबसे बड़ा एलएनजी



आपूर्तिकर्ता रहा अमेरिका तीसरे स्थान पर खिसक गया। अमेरिका से आयात 59 प्रतिशत घटकर सितंबर में लगभग 16 प्रतिशत हिस्सेदारी तक सीमित रह गया।

एक समय भारत के एलएनजी आयात का सबसे बड़ा स्रोत रहा कतर भी इस सूची में काफी पीछे चला गया। सितंबर में कतर से केवल 94,000 टन एलएनजी आयात किया गया और वह छठे स्थान पर रहा। इसके मुकाबले संयुक्त अरब अमीरात (यूएई) ने 3.11 लाख टन और अंगोला ने 2.05 लाख टन एलएनजी भारत को निर्यात की। विश्लेषकों के अनुसार, कतर की आपूर्ति में आई गिरावट का प्रमुख कारण मार्च में गस लाफान इंडस्ट्रियल सिटी पर हुए हमले का

■ सितंबर में अमेरिका को छोड़ा पीछे
■ भारत का दूसरा सबसे बड़ा एलएनजी सप्लायर रहा नाइजीरिया

प्रभाव है। यह क्षेत्र कतर का प्रमुख एलएनजी उत्पादन केंद्र माना जाता है और भारत सहित कई देशों के लिए प्राकृतिक गैस का महत्वपूर्ण स्रोत है। सितंबर में भारत का कुल एलएनजी आयात भी घटा। अगस्त में जहां आयात 25 लाख टन था, वहीं सितंबर में यह 14 प्रतिशत घटकर 21.7 लाख टन रह गया। प्राकृतिक गैस भारत की अर्थव्यवस्था के कई महत्वपूर्ण क्षेत्रों के लिए जरूरी है। इसका उपयोग उर्वरक उत्पादन, औद्योगिक ताप प्रक्रियाओं, बिजली उत्पादन और शहरी परिवहन में बड़े पैमाने पर किया जाता है। भारत अपनी एलएनजी जरूरतों का लगभग आधा हिस्सा आयात करता है। वर्तमान में भारत के एलएनजी आयात का लगभग 60 प्रतिशत हिस्सा पश्चिम एशियाई देशों, विशेष रूप से कतर और यूएई से आता है। इन आपूर्तियों का बड़ा हिस्सा होर्मुज जलडमरूमध्य से होकर गुजरता है।

ओमान बना भारत का सबसे बड़ा एलएनजी सप्लायर

नई दिल्ली, (पंजाब केसरी): भारत के तरलीकृत प्राकृतिक गैस (एलएनजी) आयात परिदृश्य में सितंबर के दौरान बड़ा बदलाव देखने को मिला। आंकड़ों के अनुसार, ओमान भारत का सबसे बड़ा एलएनजी आपूर्तिकर्ता बनकर उभरा और उसने अमेरिका को पीछे छोड़ दिया। यह बदलाव ऐसे समय में आया है जब भारत पश्चिम एशिया में जारी भू-राजनीतिक तनावों के बीच अपने ऊर्जा आयात स्रोतों में विविधता लाने की रणनीति पर लगातार काम कर रहा है।

सितंबर में ओमान बना सबसे बड़ा एलएनजी आपूर्तिकर्ता

नई दिल्ली, आइएनएस: अमेरिका को पीछे छोड़ सितंबर में ओमान भारत का सबसे बड़ा एलएनजी (तरलीकृत प्राकृतिक गैस) आपूर्तिकर्ता बन गया। केप्लर के आंकड़ों के मुताबिक, भारत ने सितंबर में ओमान से 5,85,000 टन एलएनजी आयात किया, जो अगस्त के मुकाबले 11.6 प्रतिशत ज्यादा है। इस तरह सितंबर में एलएनजी आयात में खाड़ी देशों की हिस्सेदारी 27 प्रतिशत हो गई। सितंबर में भारत का कुल एलएनजी आयात महीने-दर-महीने 14 प्रतिशत घटकर 21 लाख से टन से ज्यादा रहा। अगस्त में यह आंकड़ा 25 लाख टन था।

नाइजीरिया 3,51,000 टन के साथ दूसरा सबसे बड़ा आपूर्तिकर्ता बन गया, हालांकि यह पिछले महीने से 35 प्रतिशत कम रहा। अगस्त में अमेरिका से आयात 8,48,000 टन के साथ आपूर्तिकर्ताओं की सूची में शीर्ष पर था, लेकिन सितंबर में

- भारत ने पिछले महीने ओमान से 5,85,000 टन एलएनजी का आयात किया
- सितंबर में एलएनजी आयात में खाड़ी देशों की हिस्सेदारी 27 प्रतिशत रही

भारत को किए गए निर्यात में 59 प्रतिशत की गिरावट के साथ तीसरे नंबर पर आ गया। सितंबर के कुल आयात में उसकी हिस्सेदारी 16 प्रतिशत रही। एलएनजी आपूर्तिकर्ताओं में कतर 94,000 टन सप्लाई के साथ छठे नंबर पर रहा है। कतर कभी भारत का सबसे बड़ा एलएनजी आपूर्तिकर्ता था और उसकी बाजार हिस्सेदारी लगभग 45 प्रतिशत थी। सितंबर में संयुक्त अरब अमीरात (यूएई) ने भारत को 3,11,000 टन एलएनजी आपूर्ति की जबकि अंगोला ने 2,05,000 टन निर्यात किया।