

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
STARRED QUESTION No. 284
ANSWERED ON 27.03.2023

INCENTIVES TO ETHANOL PRODUCING COMPANIES

*284. SHRI PRABHAKAR REDDY VEMIREDDY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :-

- (a) the details of States that are producing ethanol in the country during the last three years and the current year, State-wise and year-wise;
- (b) whether Government is aware that KRIBHCO, IOC, Assago, Eco Steel, etc., have decided to set up their units in Andhra Pradesh to achieve the target of 20 per cent blending by 2025;
- (c) if so, the details of incentives that Government is giving for ethanol producing companies in the country, including Andhra Pradesh; and
- (d) the salient features of ethanol policy being implemented in the country?

ANSWER

MINISTER OF PETROLEUM & NATURAL GAS

(SHRI HARDEEP SINGH PURI)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF THE RAJYA SABHA STARRED QUESTION No. 284 TO BE ANSWERED ON 27.03.2023 REGARDING INCENTIVES TO ETHANOL PRODUCING COMPANIES ASKED BY SHRI PRABHAKAR REDDY VEMIREDDY.

(a): The year-wise details of States where distilleries are producing and supplying ethanol to Oil Marketing Companies (OMCs) for Ethanol Blended Petrol (EBP) Programme are at **Annexure**.

(b): The Government, under the Ethanol Interest subvention scheme, has accorded in-principal approval to KRIBHCO Green Energy Private Limited and Assago Industries Private Limited to set up grain based distilleries of 250 KLPD & 200 KLPD respectively in Andhra Pradesh for production of ethanol.

(c): The Government has introduced various Ethanol Interest Subvention Schemes since 2018, in the entire country, including Andhra Pradesh, to encourage ethanol producing companies to enhance their distillation capacities. Under the above scheme, interest @ 6% or 50% of the interest charged by the banks/financial institutions whichever is lower is borne by Government for the period of five years including one year of moratorium.

In March, 2019, the Government has also notified the “Pradhan Mantri JI-VAN (Jaiv Indhan-Vatavaran Anukool fasal awashesh Nivaran) Yojana” for providing financial support to integrated bio-ethanol projects for setting up Second Generation (2G) ethanol projects in the country using lignocellulosic biomass and other renewable feedstock. The total financial outlay for the scheme is Rs. 1969.50 crore for the period 2018-19 to 2023-24.

Under the PM JI-VAN Yojana, the maximum financial assistance of Rs.150 crore per project for commercial projects and Rs.15 crore per project for demonstration projects has been prescribed for improving commercial viability as well as promoting R&D for development and adoption of technologies in the field of production of 2G ethanol.

(d): The Government has introduced blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme. Under this Programme Public Sector OMCs sell petrol blended with ethanol. The target of 20% blending of ethanol in petrol has been advanced to ESY 2025-26 from 2030. The E-20 (20% ethanol blended petrol) fuel has been launched in February, 2023. The objectives of the Programme include reducing import dependence, savings in foreign exchange, providing boost to domestic agriculture sector and for associated environmental benefits. Ethanol blended petrol has higher octane number than petrol thereby aiding in complete combustion and reduced vehicular emissions.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF RAJYA SABHA STARRED QUESTION No. 284 FOR 27.03.2023 REGARDING INCENTIVES TO ETHANOL PRODUCING COMPANIES.

Year-wise details of States where distilleries are producing and supplying ethanol:

ESY	States
2019-20	Andhra Pradesh; Bihar; Chhattisgarh; Gujarat; Haryana; Himachal Pradesh; Karnataka; Madhya Pradesh; Maharashtra; Punjab; Tamil Nadu; Uttar Pradesh; Uttarakhand
2020-21	Andhra Pradesh; Bihar; Chhattisgarh; Gujarat; Haryana; Himachal Pradesh; Karnataka; Madhya Pradesh; Maharashtra; Odisha; Punjab; Tamil Nadu; Telangana; Uttar Pradesh; Uttarakhand; West Bengal
2021-22	Andhra Pradesh; Bihar; Chhattisgarh; Gujarat; Haryana; Himachal Pradesh; Jharkhand; Karnataka; Madhya Pradesh; Maharashtra; Odisha; Punjab; Tamil Nadu; Telangana; Uttar Pradesh; Uttarakhand; West Bengal
2022-23	Andhra Pradesh; Bihar; Chhattisgarh; Gujarat; Haryana; Himachal Pradesh; Jharkhand; Karnataka; Madhya Pradesh; Maharashtra; Odisha; Punjab; Tamil Nadu; Telangana; Uttar Pradesh; Uttarakhand; West Bengal
