

LOK SABHA
UNSTARRED QUESTION No. 2994
TO BE ANSWERED ON 15th March, 2021

Ethanol Production

2994. DR. SUJAY RADHAKRISHNA VIKHE PATIL:
DR. HEENA GAVIT:
SHRI UNMESH BHAIYYASAHEB PATIL:
SHRIMATI APARAJITA SARANGI:
SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:
DR. SHRIKANT EKNATH SHINDE:
SHRI P.P. CHAUDHARY:
SHRI MARGANI BHARAT:

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

- (a) the total quantum of production of ethanol in the country during the last three years and the current year, year-wise and State-wise including the percentage of ethanol blended with petrol in the present;
- (b) whether the Government targets on production of ethanol blended fuel are being met, if so, the details thereof and if not, the reasons therefor including the measures undertaken by the Ministry to meet the said target;
- (c) the current requirement and current production of 1G and 2G ethanol in India along with the details of sources/components contributing to the said production and the details of people benefited from the scheme including sugar industry and farmers, if any;
- (d) whether the Government is considering any schemes to increase 2G ethanol production in order to deal with rising problem of pollution from agricultural waste, if so, the details thereof;
- (e) whether the ethanol produced from molasses instead of sugarcane is more useful and beneficial and if so, the details thereof and whether the production of ethanol directly from sugarcane is permitted in the country, if so, the details thereof along with the name of major mills which are producing ethanol directly from sugarcane; and
- (f) whether the Government has approved a new scheme worth Rs. 4500 crores to increase ethanol production in the country, if so, the details thereof along with the other measures taken/being taken by the Government to increase the production of ethanol and promote its usage in the country?

ANSWER

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**MINISTER OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)**

(a): Department of Food & Public Distribution (DFPD) has informed that the ethanol produced by distilleries is mainly supplied to Oil Marketing Companies under Ethanol Blended with Petrol (EBP) Programme. The details of the quantity of ethanol received by OMCs for blending in petrol under EBP Programme for the last three Ethanol Supply Year (ESY) and current ESY along with percentage of ethanol blended with petrol provided by OMCs are as under:

in Crore Litre				
ESY (1 st Dec of the year to 30 th Nov of next year)	2017-18	2018-19	2019-20	2020-21 (till 01.03.21)
Ethanol received by PSU OMCs	150.5	188.57	173.03	74.89
Percentage Blending	4.2%	5.0%	5.0%	6.9%

The State wise receipt of ethanol by OMCs is given in **Annexure A**.

(b): The Government has advised the OMCs to blend 10% ethanol in petrol. The ethanol blended petrol percentage has progressively increased from 1.53% in ESY 2013-14 (December 2013 to November 2014) to 5% in ESY 2019-20. For ESY 2020-21 the Public Sector OMCs have allocated 325.5 crore litres of ethanol upto 01.03.2021 against requirement of 457 Crore litres for ESY 2020-21.

Under the EBP Programme, Government has initiated several interventions both on the supply and demand side. The important initiatives are: reintroduction of administered price mechanism for ethanol procurement, enhancement of scope of raw material by allowing ethanol production from multiple feed-stocks like C & B heavy molasses, sugarcane juice, sugar, sugar syrup, damaged food grains, maize and surplus stocks of rice with Food Corporation of India (FCI), differentiated ex-mill price of ethanol to be paid to ethanol suppliers based on raw materials used for its production, amendment to the Industries (Development and Regulation) Act (IDR Act) – 1951 for free movement of ethanol in the country, reduction of GST rate to 5% on ethanol procured under the EBP Programme, formulation of a long term procurement policy for ethanol, interest subvention scheme for augmentation and enhancement of ethanol production capacities in the country, etc.

In addition, Public Sector Oil Marketing Companies (OMCs) have simplified the ethanol procurement procedure thereby encouraging more vendors to take part in the EoIs released by them. Due to the above initiatives taken by the Government the ethanol procurement has increased from 38 crore litres in ESY 2013-14 to 173.03 crore litre in ESY 2019-20.

(c): OMCs have informed that in the current year they have allocated 325.5 Crore litres of ethanol against the requirement of 457 Crore litres ethanol. The source-wise breakup of the offers of 325.5 crore litres is as under:

Raw material	Qty (Cr Litre)
SCJ (Sugarcane Juice/Sugar Syrup/Sugar)	42.2
BHM (B-Heavy Molasses)	182.0
CHM (C-Heavy Molasses)	59.5
DFG (Damaged Food Grains)/Maize	38.4
SR (Surplus Rice)	3.4

This quantity of 325.5 crore litres of ethanol allocated is from 1G ethanol plants only. At present there is no 2G plant producing ethanol in the country.

(d): Government has allowed procurement of ethanol produced from other non-food feedstock like cellulosic and lingo-cellulosic materials. Government has also launched a scheme “Pradhan Mantri JI-VAN (Jaiv Indhan- Vatavaran Anukool fasal awashesh Nivaran) Yojana” to provide financial support for promotion of 2G ethanol with a financial outlay of Rs.1969.50 crore.

(e): The properties of the end product viz., ethanol produced from molasses and sugarcane are the same. In fact molasses is a byproduct of the sugar-making process, and it comes from crushed sugar cane. Government has now also allowed the production of ethanol from sugarcane juice, sugar syrup & sugar. The details of the suppliers provided by the OMCs who have offered ethanol produced from sugarcane juice in the current ESY are given in **Annexure B**.

(f): The Government has notified schemes for extending financial assistance to project proponents for enhancement of their ethanol distillation capacity by setting up of new distilleries/expansion of existing distilleries/installation of Zero Liquid Discharge (ZLD) system and Molecular Sieve Dehydration (MSDH) Column etc. for which interest subvention @6% per annum or 50% of the actual rate of interest charged by lending institutions whichever is lower on the loans advanced by Banks/NCDC/IREDA/NBFCs and any other financial institutions. So far a total of Rs. 4687 crore has been earmarked towards payment of interest subvention under these schemes.

The various measures taken by the Government from time to time to increase production of ethanol in the country and to promote its supply to OMCs under EBP Programme have been provided in the reply of para (b) of this question.

Annexure A

Annexure referred to in reply to part (a) of Lok Sabha Unstarred Question No. 2994 for 15.03.2021.

State wise receipt of ethanol by OMCs

State/UT	Ethanol Receipt in Crore Litre			
	2017-18	2018-19	2019-20	2020-21 (upto 01.03.21)
Andhra Pradesh	6.49	10.16	5.34	4.23
Bihar	6.28	6.84	8.39	2.76
Chhattisgarh	0.00	3.26	4.70	1.91
Delhi	10.91	8.40	6.69	1.69
Goa	1.17	1.21	0.79	0.67
Gujarat	6.68	13.36	12.36	4.75
Haryana	7.35	12.38	13.07	4.32
Himachal Pradesh	0.00	0.07	1.62	0.70
Jharkhand	0.00	0.07	2.41	0.76
Karnataka	17.81	19.40	18.77	7.66
Kerala	0.00	0.00	0.00	0.90
Madhya Pradesh	1.79	9.31	10.24	3.96
Maharashtra	35.99	29.78	21.92	12.35
Odisha	0.00	0.00	0.35	0.71
Punjab	6.56	10.40	11.53	3.31
Rajasthan	0.10	4.10	2.67	0.64
Tamil Nadu	0.99	7.48	3.52	6.11
Telangana	10.90	8.88	4.65	4.09
Uttar Pradesh	34.01	38.70	40.15	12.55
Uttarakhand	2.00	2.45	2.44	0.75
West Bengal	1.47	2.30	1.44	0.09
	150.50	188.57	173.03	74.89

Annexure B

Annexure referred to in reply to part (e) of Lok Sabha Unstarred Question No. 2994 for 15.03.2021.

List of suppliers who have offered ethanol produced from sugarcane juice in the current ESY

ESY 20-21			
SN	Suppliers Names	SN	Suppliers Names
1	Bhalkeshwar Sugars Ltd	21	PurnaSahajariSakharKarkhana Ltd
2	Core Green Sugar & Fuels Pvt Ltd	22	RajarambapuPatilSahakariSakharKarkh ana Ltd Rajaramnagar
3	Dalmia Bharat Sugar And Industries Limited (Distillery Unit - Nigohi)	23	Rana Sugars Ltd. (Distillery Division)
4	DCM Shriram Limited Distillery Unit-Ajbapur	24	Rena Ssk Ltd
5	E.I.D. Parry (India) Ltd - Haliyal	25	Shamanur Sugars Limited
6	E.I.D. Parry (India) Ltd -Nellikuppaam	26	Sharayu Agro Industries Ltd
7	Eid Parry (India) Ltd	27	Shree Chh.ShahuS.S.K.Ltd. Kagal
8	Eid Parry India Ltd	28	Shree DurgaKhandsari Sugar Mills
9	Gayatri Sugars Ltd	29	Shree Renuka Sugars Limited
10	Gem Sugars Limited	30	Shree Renuka Sugars Limited Athani
11	Godavari Biorefineries Ltd	31	Shree TatyasahebKoreWaranaSahakariSakhar Karkhana Limited
12	Jakraya Sugar Ltd	32	ShreenathMhaskobaSakharKharkhana Ltd ShreenathnagarPatethanDaund
13	Jamkhandi Sugars Limited	33	ShriSaipriya Sugars Limited Distillery Division
14	Jaywant Sugars Ltd	34	Swaraj India Agro Limited
15	KisanveerSssk Ltd	35	The Sanjivani (Takli) SahakariSakharKarkhana Ltd Sahajanandnagar
16	Kpr Sugar Mill Limited	36	Vijayanagar Sugar Pvt Ltd
17	LokneteSunderraojiSolankeSahakariSakharKarkhana Ltd.	37	VikasratnaVilasraoDeshmukhManjara S.S.S K. Ltd.
18	Manas Agro Industries And Infrastructure Ltd	38	Vishwaraj Sugar Industries Limited
19	Nirani Sugars Ltd Distillery Division	39	Vitthal Corporation Ltd
20	Padmshri Dr VitthalraoVikhePatilSahakariSakharKarkhana Ltd.	40	Yedeshwari Agro Products Ltd.
