

LOK SABHA
UNSTARRED QUESTION No. 3178
TO BE ANSWERED ON 16th DECEMBER, 2021

TAX BREAKES ON ETHANOL

3178. SHRI E.T. MOHAMMED BASHEER:

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

- (a) whether the Government has considered the proposal for giving tax brakes on ethanol and fix floor price for the fuel;
- (b) if so, the details thereof; and
- (c) the steps, if any, taken by the Government to reduce India's dependence on imported gasoline?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI RAMESWAR TELI)

(a) & (b): In order to promote ethanol blending, the Government has lowered Goods and Services Tax (GST) rate to 5% from 18% on ethanol meant for blending under the Ethanol Blended Petrol (EBP) Programme. The procurement price of ethanol produced from sugarcane based feed stocks like C & B heavy molasses, sugarcane juice, sugar, sugar syrup are fixed by the Government and from food grain based feed stocks by Public Sector Oil Marketing Companies on an annual basis.

(c): The measures taken by the Government to reduce dependence on imported gasoline include a number of policy initiatives for increase in domestic crude oil production by generating quality geo-scientific data and its easy access, awarding new exploration acreage, expediting production from new development acreages and focus on production maximization from existing production acreages. It has promoted usage of biofuel in the country by notification of the National Policy on Biofuels (NPB) - 2018 which allows use of multiple feedstocks for producing bio-ethanol for increased supply of ethanol for blending with petrol. The encouraging initiatives on supply side of ethanol has prompted the Government to advance the target of 20% ethanol blending in petrol in the country from 2030 to 2025-26. Government has also notified Pradhan Mantri JI-VAN Yojna for promoting Second Generation (2G) ethanol production from cellulosic and lignocellulosic including petrochemical route in the country by providing financial support.
