

LOK SABHA
UNSTARRED QUESTION No. 3185
TO BE ANSWERED ON 16th DECEMBER, 2021

ETHANOL PRODUCTION

3185. DR. SANJAY JAISWAL:

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

- (a) whether the Government has carried out State-wise assessment of ethanol production capabilities;
- (b) if so, the details thereof;
- (c) the total quantum of subsidies given for promotion of ethanol production in States including Bihar during the last five years;
- (d) whether the Government has carried out assessment of the difference in ethanol produced from feedstock and molasses and if so, the details thereof;
- (e) whether the Government has set fuel-blending targets for petroleum run vehicles and if so, the details thereof; and
- (f) the current status of fuel blending, State-wise including Bihar?

ANSWER

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

(a) & (b): Department of Food and Public Distribution (DFPD) has informed that as on 30th November, 2021, the alcohol and ethanol distillation capacity in the country is around 787 crore litres per annum (519 crore litres per annum from molasses based distilleries and 268 crore litres per annum from grain based distilleries.).

(c): DFPD has notified the interest subvention schemes during 2018, 2019 and 2021 covering multiple feed stocks for ethanol production to enhance and augment ethanol distillation capacity in the country, including Bihar. Under the aforesaid scheme, the Government is extending financial assistance in the form of interest subvention for five years including one year moratorium against the

loan availed by project proponents from banks/financial institutions at 6% per annum or 50% of the rate of interest charged by the them, whichever is lower. Under this scheme, loan amount of about Rs.8643 crore has been sanctioned by the banks/financial institutions to 132 projects. Out of which, as on 19th November, 2021, Rs.4173 crore has been disbursed to 93 projects. The Government of Bihar has also notified the Ethanol Production Promotion Policy, 2021, wherein interest subvention is offered to eligible project proponents at 10% on project term-loan apart from capital subsidy up to five crore rupees, SGST and Electricity Duty reimbursement up to 100% of the project cost, 100% exemption from payment of stamp duty & land conversion fees and employment cost subsidy & skill development subsidy.

(d):DFPD has informed that for Ethanol Supply Year (ESY) (Dec-Nov) 2020-21, the estimated ethanol recovery is 223 litre from one tonne of C heavy molasses, 310 litre from one tonne of B heavy molasses and 70 litre from cane juice/syrup from one tonne of sugarcane. This difference is primarily on account of variable sugar content in these feed stocks.

(e): The National Policy on Biofuels – 2018 provides an indicative target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel by 2030. Government has advanced the target of 20% blending of ethanol in petrol to 2025-26.

(f): Presently, under the Ethanol Blended Petrol (EBP) programme, Public Sector Oil Marketing Companies are selling 10% ethanol blended petrol, across India, including Bihar, as per availability. The average ethanol blending percentage in petrol for ESY 2020-21 was 8.1%. Under the Biodiesel blending programme, 5% biodiesel is blended as per availability. The total quantity of biodiesel produced in financial year (FY) 2020-21 is 8 crore litres.
