

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1902
ANSWERED ON:08.03.2013
ETHANOL BLENDING PROGRAMME
Krishnaswamy Shri M.;M.Thambidurai Dr.

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

- (a) whether the Ethanol blending programme is being undertaken by the Government;
- (b) if so, the details thereof including the salient features of the programme;
- (c) whether the Government is encouraging production of ethanol in the country; and
- (d) if so, the details thereof along with the production and the demand for ethanol during each of the last three years and the current year, year-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIMATI PANABAAGA LAKSHMI)

(a)&(b) Yes, Madam. The Government has decided on 22.11.2012 that 5% mandatory ethanol blending with petrol should be implemented across the country and 5% mandatory blending be reckoned for the country as a whole and it be achieved by 30.06.2013. Procurement price of ethanol will be henceforth decided between Oil Marketing Companies (OMCs) and suppliers of ethanol and in case of any shortfall in domestic supply, the OMCs and Chemical companies are free to import ethanol.

In view of the above decision, Ministry of Petroleum & Natural Gas has issued a Gazette Notification dated 02.01.2013 directing OMCs to sell Ethanol blended petrol with percentage of ethanol upto 10% as per BIS Specification.

(c)&(d) Central Government, vide notification dated 20.12.2007 issued by Department of Food & Public Distribution, has allowed sugar factory to manufacture, at its option, ethanol directly from sugarcane juice or from molasses including B-Heavy molasses or both. However, setting up of a standalone distillery for manufacture of ethanol is not permitted. Further, the Central Government, with a view to increase production of ethanol is providing soft loan up to 40% of the project cost to the sugar mills from Sugar Development Fund (SDF) for setting up ethanol projects.

As per the information provided by Department of Chemicals and Petrochemicals, production of ethanol from molasses for the last three years from 10 major States is as under:

Year Production (Lakh litre)

2008-09 22648.66

2009-10 17300.75

2010-11 22314.83