

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

UNSTARRED QUESTION NO:4644

ANSWERED ON:21.02.2014

PRODUCTION OF ETHANOL

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

- (a) the details of the quantity of ethanol produced in the country during the last three years and the current year, State/UT-wise;
- (b) the details of the recommendations of the Saumitra Chaudhuri Committee made on Ethanol blending of petrol and the action taken by the Government thereon;
- (c) whether the Government has made any assessment of the reduction in net oil import bill by achieving the target of ethanol blending of petrol; and
- (d) if so, the details thereof along with the incentives being provided for promotion of ethanol blending of petrol?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAACA LAKSHMI)

(a): The details of quantity of ethanol/alcohol produced in the country during last three years, as per Indian Sugar Mills Association (ISMA), is at Annexure.

(b): The Expert Committee for pricing of Ethanol chaired by Dr. Saumitra Chaudhuri had recommended a method for determining the procurement price of ethanol according to which procurement price of Rs.26.67 per litre was suggested for the quarter ending March 2011. However, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 22.11.2012, decided that the procurement price of ethanol would be decided henceforth between the Oil Marketing Companies (OMCs) and suppliers of Ethanol.

(c)&(d): Blending of ethanol with Petrol would have very little impact on import of crude oil, since Petrol is only a by-product of the distillation process and presently overall blending of ethanol is limited to 5% only.

The Government with a view to increase production of ethanol is providing soft loans up to 40% of the project cost to the sugar mills from Sugar Development Fund (SDF) for setting up ethanol projects.