

Ethanol blending goal within reach

INAUGURATING A MODERN ETHANOL plant of Indian Oil Corporation (IOC), Prime Minister Narendra Modi on August 10 said domestic production of the biofuel has jumped 10 times in the last eight years to around 4 billion litres now. Since elevated ethanol production can potentially drag down oil imports, the government has decided to almost double the blending target to 20% by 2025-26. Given the sustained push by the government, the target seems achievable, reports **Surya Sarathi Ray.**



■ **Is the 20% blending target achievable and what is the govt doing to achieve it?**

India seems on course to realising the target. The govt has already taken a raft of measures to increase ethanol production. These include permitting procurement of ethanol produced from other non-food feedstock besides molasses. It has allowed use of cane and foodgrains for conversion and free movement of ethanol across states for blending. It's encouraging firms to ramp up ethanol capacity via an interest subvention scheme. The Pradhan Mantri JI-VAN Yojana was approved in February 2019. Its primary objective is to provide financial aid to integrated bio-ethanol projects with an outlay of ₹1,969.50 crore from 2018-19 to 2023-24.

■ What is the ethanol-blending target?

The National Policy on Biofuels, 2018 laid down an indicative target of 20% blending of ethanol with petrol and 5% of bio-diesel with diesel by 2030. But the govt later advanced the ethanol-blending target to ethanol supply year 2025-26 (December-November). The policy aims at reducing crude oil import dependence and saving foreign exchange, among others. India's import dependency of crude, on a consumption basis, was 87% in June.

■ What's the progress so far?

As of July 10 this year, oil marketing companies achieved 10.16% blending. The 10% target was achieved in June, five months ahead of schedule. This is a significant progress since the level of blending was just 1.5% in 2013-14 and around 5% in 2018-19. The country's ethanol production was 380 million litres in 2013-14, which rose to 1.9 billion litres in 2018-19. As of now, ethanol production is around 4 billion litres.

Status check

ESY	Projected petrol sale (billion litre)	Blending (%)	Requirement of ethanol for blending (bn litre)
2022-23	45.15	12	5.42
2023-24	46.56	15	6.98
2024-25	49.39	20	9.88
2025-26	50.80	20	10.16

Source: NITI Aayog

■ How has increased ethanol blending benefited the country?

As the PM said, the blending programme has saved forex outgo of around ₹50,000 crore in the last 7-8 years. It also boosted earnings of local producers. Also, OMCs have benefited, since ethanol is cheaper than petrol, and it's also environment-friendly. The NITI Aayog estimates that a successful implementation of E20 (petrol with 20% ethanol blending) programme will save ₹30,000 crore annually.

■ How much ethanol production is required to achieve the 20% blending target?

In 2021, NITI Aayog estimated that ethanol output needs to go up to 10.16 billion litres by 2025-26 (current capacity at 8.25 billion litres) to achieve 20% blending, considering 50.8 billion litres of petrol sales by that time. It said that to produce 10.16 billion litres of ethanol, 6 million tonne (MT) of sugar and 16.5 MT of grains would be needed per annum in 2025, which the country can support.

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personal for every year of completed service. A average salary for last 10 months. If detail amount received is ₹1 lakh.

"Average salary means the average of last 10 months salary where salary would include basic salary, dearness allowance and commission based on a fixed percentage of turnover secured by an employee," says Surend Kumar, founder, ESM India. "Leave encashment received from two or more employers during the financial year would be subject to the limit of ₹1 lakh."

Further, the leave credit would be computed on leave allowed minus leave availed, whereas the leave allowed shall not exceed 30 days for each completed year of service.

"Leave encashment limit of ₹1 lakh is aggregate exemption during the lifetime of an employee. If the employee exceeds more than 10 days per year, the exemption shall be restricted to 30 days per year. Leave encashment received by the employee's legal heirs on his demise is fully exempt," says Shashi, business, chartered accountant.

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Dr. Ramesh Chandra & Shalini Sharma

Dr. Ramesh Chandra is a senior advisor to the Government of India, New Delhi. He is also a senior advisor to the Ministry of Electronics and Information Technology, Government of India. Shalini Sharma is a senior advisor to the Government of India, New Delhi. She is also a senior advisor to the Ministry of Electronics and Information Technology, Government of India.

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SWITCH MOBILITY UNVEILED India's first electric double-decker air-conditioned bus, Switch EV 22, in Mumbai on Thursday.

The buses will be added to the Brihanmumbai Electricity Supply and Transport Trust. The EV subsidiary of Ashok Leyland (AL) has secured an order for 500 buses in Mumbai.

Designed, developed and manufactured in India and utilising Switch's global electric bus experience, Switch



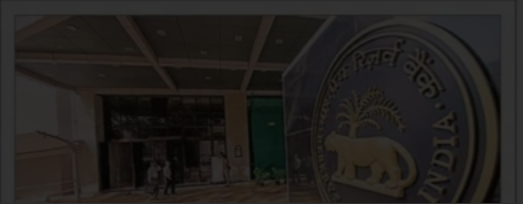
RBI PAPER

Asset quality of NBFCs worsened in Q3 of FY22

Deterioration possibly attributable to rolling back of regulatory forbearance

FE BUREAU
Mumbai, August 18

ASSET QUALITY OF the non-banking financial companies (NBFCs) sector deteriorated in Q3 FY22 with the rollback of regulatory forbearance, according to the Reserve Bank of India (RBI) report.



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