

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS  
LOK SABHA

UNSTARRED QUESTION NO: 921

ANSWERED ON:26.07.2021

Blending of Ethanol

Devji Mansingram Patel

- (a) whether the Government proposes to blend 10 per cent and more ethanol in petroleum products in order to reduce dependency on the petroleum import, to save foreign exchange, to provide fair and remunerative price of sugarcane to the farmers, to protect environment and to generate employment;
- (b) if so, the details thereof;
- (c) whether the Government proposes to allow the use of lignocelluloses ethanol produced from bagasse, straw of paddy, wheat, cotton and bamboo;
- (d) if so, the details thereof; and
- (e) the details of the steps taken by the Government to promote the use of Ethanol in order to generate employment opportunities in the rural areas, State-wise?

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

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM &  
NATURAL GAS

(SHRI RAMESWAR TELI)

(a) & (b): Government of India through Oil Marketing Companies (OMCs) is implementing Ethanol Blended Petrol (EBP) Programme, wherein ethanol is being blended in petrol to achieve the objectives of reducing import dependence, promote clean fuel and provide boost to agriculture. Ministry of Petroleum & Natural Gas vide notification dated 5th February, 2019 directed Oil Marketing Companies (OMCs) to sell 10% ethanol blended petrol as per Bureau of Indian Standards (BIS) specifications.

(c) to (e): Government, since 2014, has allowed procurement of ethanol produced from other non-food feedstock besides molasses, like cellulosic and lignocelluloses materials like cotton stalk, wheat straw, rice straw, bagasse, bamboo etc. including petrochemical route, subject to meeting the relevant BIS standards. The steps taken by the Government to promote use of ethanol so as to provide employment opportunities in rural area includes, allowing use of sugarcane and food grains (maize and surplus stocks of rice with Food Corporation of India) for conversion to ethanol; administered price mechanism for procurement of ethanol under EBP Programme including enhanced ex-mill price of ethanol year on year from ethanol supply year 2017; lowered GST rate to 5% on ethanol for EBP Programme; amendment in Industries (Development & Regulation) Act for freer movement of ethanol; interest subvention scheme for enhancement and augmentation of ethanol production capacity in the country.

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