

**Ministry of Petroleum and Natural Gas**  
**Prime Minister Modi approves mechanism for procurement of Ethanol by**  
**Public Sector Oil Marketing Companies**

October 29, 2020

Relevant to M&M- Auto Businesses

## **Background**

- The Centre has been implementing EBP programme under which OMCs sell petrol blended with ethanol up to 10 per cent
- This programme was extended to the whole of India except Union Territories of Andaman Nicobar and Lakshadweep islands with effect from April 1, 2019 to promote the use of alternative and environment-friendly fuels
- This intervention also seeks to reduce import dependence for energy requirements and give a boost to the agriculture sector

## **What are the new prices?**

- The price of ethanol from C heavy molasses route be increased from Rs.43.75 per lit to Rs.45.69 per litre,
- The price of ethanol from B heavy molasses route be increased from Rs.54.27 per lit to Rs.57.61 per litre,
- The price of ethanol from sugarcane juice / sugar / sugar syrup route be increased from Rs.59.48 per lit to Rs.62.65 per litre,

## **What are the new changes?**

- An official statement said the higher price for ethanol derived from different sugarcane-based raw materials under the Ethanol Blended Petrol (EBP) programme is applicable for the forthcoming sugar season 2020-21 during Ethanol Supply Year (ESY) from December 1, 2020 to November 30, 2021
- *"In order to offer fair opportunity to the localised industry within the State and reduce criss cross movement of ethanol, oil marketing companies (OMCs) shall decide the criteria for priority of ethanol from various sources taking in account various factors like cost of transportation and availability. This priority will limit the excisable boundaries of*

*the State or Union Territory for production. Same order of preference will be given thereafter for import of ethanol from other States wherever required,” the statement said.*

## References

1. <https://www.thehindubusinessline.com/economy/ccea-hikes-ethanol-procurement-price-under-blending-programme/article32975629.ece>
2. [https://www.business-standard.com/article/markets/centre-to-raise-ethanol-procurement-price-by-rs-2-5-3-per-litre-for-2020-21-120100600587\\_1.html](https://www.business-standard.com/article/markets/centre-to-raise-ethanol-procurement-price-by-rs-2-5-3-per-litre-for-2020-21-120100600587_1.html)
3. <https://www.financialexpress.com/economy/relief-measure-ccea-hikes-ethanol-prices-purchase-by-mnrcs-will-rise-30-pct/1695371/>
4. <https://pib.gov.in/PressReleasePage.aspx?PRID=1668399>