



Abinash Verma
Director General
Indian Sugar Mills Association

- **An all India apex body of sugar & ethanol producers in India**
- **Produce 1st generation ethanol from molasses**
- **ISMA is closely associated with Government in policy making and execution**

Govt. policy and current procurement system

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- 10% blending with petrol (standards prescribed in 2009)
- Procurement price fixed by Govt. every year
 - Based on production cost of ethanol
- Ethanol blending policy of GOI based on:
 - Better returns to farmers, stable revenue to ethanol producers, reduction in net oil import bill etc. (hence only indigenous feedstock allowed)
- Hurdles in ethanol movement: State taxes & stringent permits a problem
 - States have started relaxing their controls, though slowly
 - With GST in India & e-way bill, movement will be secured & system monitored (hence no need for States to control or watch)

Current Status

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- OMCs require 3.13 billion litres for 10% blending in 2017-18 (Dec-Nov)
 - Contracts in current year expected to reach 5% (1.5 bn litres finalised)
- All ethanol produced only from final C-heavy molasses
 - Intermediate B-heavy molasses production @7% of cane crushed would give about 20 million tons
 - Can give 6.5 bn litres of alcohol/ethanol (blending could cross 10%)
 - For that sugar have to be sacrificed (good in surplus years), so ethanol price has to be around Rs.52-53 per litre (current Rs.40.85 per litre)
- Current distillation capacity can give around 6% blending
 - Constraint is more on capacity than on feedstock/ policy
 - **Capacity creation is the key to achieving higher blend levels**