

**GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS**

**RAJYA SABHA
UNSTARRED QUESTION No. 1884
TO BE ANSWERED ON 10th March, 2021**

National Biofuel Fund

1884. SHRI KAMAKHYA PRASAD TASA:

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

- (a) the financial incentives extended by Government including Viability Gap Funding (VGF), subsidies and grants for biofuels, the State-wise details as on date;
- (b) whether Government has a scheme pertaining to ‘Advanced Biofuels’;
- (c) if so, the details thereof and, national and State-wise targets thereof and if not, the reasons therefor;
- (d) whether Government has set up a National Biofuel Fund;
- (e) if so, the details thereof including the amount of corpus, and national and State-wise allocation targets of such fund; and
- (g) if not, the reasons therefor?

ANSWER

**MINISTER OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)**

(a) to (c): The Government is implementing following financial assistance schemes for production of Biofuels.:

(i) In March, 2019, Ministry of Petroleum and Natural Gas has notified the “Pradhan Mantri JI-VAN (Jaiv Indhan- Vatavaran Anukool fasal awashesh Nivaran) Yojana” for providing financial support to integrated bio-ethanol projects for setting up second generation ethanol projects in the country using lignocellulosic biomass and other renewable feedstock. The total financial outlay for the scheme is Rs. 1969.50 crore for the period 2018-19 to 2023-24. Financial assistance to four Commercial scale projects of IOCL (Panipat), BPCL (Bargarh), HPCL (Bathinda) and Assam Bio Refinery Pvt Ltd (Numaligarh) and one Demonstration project of IOCL (Panipat) have been approved under the scheme.

(ii) The Department of Food and Public Distribution (DFPD) has notified different schemes vide notifications dated 19.7.2018, 8.3.2018, 15.9.2020 and 14.1.2021 for extending financial assistance to sugar mills/ distilleries/private entrepreneurs for setting up of new distilleries, expansion of existing capacity, setting up of distilleries with dual feedstocks, conversion of molasses/grain based distilleries to dual feed stock distilleries, installation of Zero Liquid Discharge (ZLD) System and Molecular Sieve Dehydration (MSDH) Column etc. towards interest subvention @ 6% per annum or 50% of the actual rate of interest charged by lending institutions whichever is lower. The subvention is applicable on the loans advanced by Banks/NCDC/IREDA/NBFCs and any other financial institutions. So far, a total of Rs. 4687 crore has been earmarked towards payment of interest subvention under these schemes and Rs. 100 crore have been paid to nodal agency National Bank for Agriculture and Rural Development (NABARD) for release of interest subvention to lending institutions.

(iii) The Ministry of New and Renewable Energy (MNRE) is implementing a Waste to Energy scheme namely Programme on Energy from Urban, Industrial, Agricultural Wastes/ Residues and Municipal Solid Waste for recovery of energy in the form of Biogas or Bio-CNG or Power from Waste / Residues such as Municipal Solid Waste (MSW), vegetable and fruit market wastes, livestock waste, agricultural residues and industrial wastes. Under this programme, Central Financial Assistance (CFA) of Rs 4.0 Cr per 4800 kg/day of Bio-CNG subject to maximum CFA of Rs 10 Cr/project is available for setting up plants for generation of Bio-CNG. As on 28.02.2021, total CFA of Rs 14.74 Crore has been released and CFA amounting Rs 48.98 Crore have been approved for setting up of Bio-CNG plants.

(d) to (g): The Government has set up a National Biofuel Fund in line with the National Policy on Biofuels – 2018 to provide financial incentives. The fund is having a corpus of Rs. 1 Lakh for financial year 2020-21.
