

# Govt plans to slash ethanol prices for vehicles: Gadkari

MUKESH JAGOTA  
New Delhi, January 30

**THE GOVERNMENT IS** working on a plan to drastically bring down retail prices of ethanol for use as fuel in vehicles with flex engines to promote use of alternate energy in transportation.

A meeting will be held after assembly elections in Delhi with the ministry of petroleum and natural gas and other stakeholders to discuss ways to reduce the retail cost of ethanol for vehicles, minister of road transport and highways Nitin Gadkari said at the Sugar-Ethanol and Bio Energy India Conference. Flex fuel engines can run on 100% ethanol and do not need to be mixed with any other fuel.

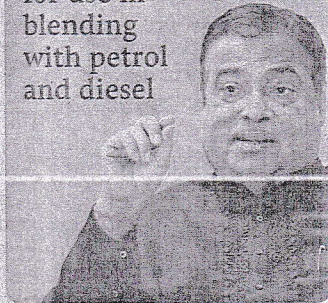
Earlier, the ethanol that was to be sold in retail for use in vehicles was priced at ₹110 a litre. The government, however, pays ₹60-65 a litre for ethanol that oil marketing companies buy from sugar mills for blending with petrol and diesel.

"I have said that ethanol as fuel should be sold in retail around prices which the government pays for use in blending with petrol and diesel. The government can keep a reasonable profit of ₹4-5 a litre. Indian Oil (IOC) decided to set up 400 ethanol pumps. They kept the ethanol price at ₹110 a litre. There was no difference with petrol price," Gadkari said.

The minister said nine companies, including Tata, Mahindra, Hyundai, Toyota and Suzuki have made cars and Hero, TVS, Bajaj, Honda and many others have made

NITIN GADKARI,  
UNION MINISTER

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two-wheelers that can run on 100% bio-ethanol.

To keep the cost of ethanol down, companies producing them should be given licences to operate 5-6 such pumps in the areas they operate without furnishing any bank guarantee which petrol and diesel petrol pumps have to submit, he said, adding that for traditional fuels every pump has to submit a bank guarantee of ₹20 crore which many sugar mills could not afford.

The minister also said that the government would come out with a policy that will ensure that in coming years, India would not have to import lithium from China and Argentina - a key component of electric vehicle batteries.