



GRAIN ETHANOL MANUFACTURERS ASSOCIATION

Mob: +91 9910613300, +91 8287928065

Email: contactinfo.gema@gmail.com

www.gemabharat.com

Ref. No. GEMA/MoPNG/2024-25 /211

Date: 06.11.2024

To,

Shri Pankaj Jain, IAS

Secretary, Ministry of Petroleum & Natural Gas
Shastri Bhavan, Dr Rajendra Prasad Road
New Delhi 110001

Sub: Impact of recent Supreme Court Judgment on Ethanol Industry & State level taxation

Respected Sir,

As you are aware, the recent Supreme Court judgment in the **State of U.P vs. M/s Lalita Prasad Vaish C.A. No. 000151 / 2007 & Other Connected Matters** by a 9-Judge Supreme Court Constitutional Bench has created shockwaves in the Ethanol Industry.

Prima facie it appears that the Supreme Court ruled in favor of the states' rights to regulate industrial alcohol also as an 'Intoxicating Liquor', and invalidated the IDR 2016 amendment, through which the GoI. As there is a great deal of uncertainty as to the potential impact of the SC judgment on the ethanol industry and bio fuel policy, we request you to consider the following:

- We request you to please check, if there is any possibility or to file a review petition (through the Attorney General and Solicitor General of India), seeking an exemption for the ethanol industry on grounds similar to that of Hand Sanitizers.
- We request you to Seek a clarification ruling and/or legal opinion on the right of states to levy excise tax on ethanol as it is already covered under the 5% GST category (or alternatively issue a directive to the OMCs that individual state level levies must be included in the ethanol procurement price).
- In case different states impose some kind of levy on ethanol produced in the state this will Jeopardize the Bio Fuel Program of GOI.

We are deeply worried that if we don't move fast and decisively, this judgment might open the flood gates of state level levies, which could lead to an extremely fragmented market and destroy the national ethanol market and endanger the ambitious biofuel policy of the government.

We would be grateful for your intervention and support on this crucial issue as this is a matter of utmost importance to the biofuel industry and Gol's Ethanol Blending program.

Warm regards



Dr. Chandra Kumar Jain, President

- CC: 1. Secretary (F&PD), DFPD, Krishi Bhawan, New Delhi.
2. OMC Coordination Committee (BPCL, HPCL & IOCL)
i) Shri Anurag Saragoi, Chief General Manager- BPCL, Mumbai
ii) Shri Sidharth Mitra, Chief General Manager- IOCL, Mumbai
iii) Shri K. K. Kishore, Chief General Manager-HPCL, Mumbai