

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1664
ANSWERED ON:31.07.2003
PRICES OF ETHANOL
PRABHA RAU;VILAS BABURAO MUTTEMWAR

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

- (a) whether distillery owners have agreed to reduce the prices of ethanol to the petroleum companies;
- (b) if so, the price fixed by the distillery owners and the reduction agreed to by them;
- (c) the total requirement of ethanol by the oil companies and the money spend by them on the purchase of ethanol annually; and
- (d) the States in which the petrol doped with 5% ethanol is supplied and the reasons for not supplying petrol doped with 5% ethanol in other States?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIMATI SUMITRA MAHAJAN)

- (a) Oil marketing companies procure ethanol through public tenders. As a part of tendering process, negotiations are carried out with the tenderers in order to get most competitive rates.
- (b) The negotiated basic price of ethanol (excluding State levies) obtained against the public tenders is in the range of Rs. 17 to Rs 17.50 per litre.
- (c) The total requirement of ethanol in the notified 9 States and 4 UTs is 345 thousand kilo litre per annum and expenditure on annual procurement is about Rs. 280 crore.
- (d) As notified by the Government, all the areas of 9 major sugar producing States of Andhra Pradesh, Goa, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Tamil Nadu & Uttar Pradesh and 4 Union Territories of Chandigarh, Dadra & Nagar Haveli, Daman & Diu and Pondicherry will be covered with 5% ethanol-blended-petrol by 30.9.2003. The remaining States and UTs will be covered in the next phase.