

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

UNSTARRED QUESTION NO:4358
ANSWERED ON:22.04.2010
IMPORT OF ETHANOL
Ahir Shri Hansraj Gangaram; Sugumar Shri K.

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

- (a) Whether duty free ethanol is being imported in the country;
- (b) if so, the details in this regard;
- (c) whether Indian Ethanol producers are being paid only Rs. 21.50 by Oil Marketing Companies (OMCs);
- (d) the comparative details of the purchase of imported ethanol and domestic ethanol by oil marketing companies;
- (e) whether a demand is being raised for increasing prices of domestic ethanol after the termination of contract for purchase of ethanol on 31 Oct, 2009; and
- (f) if so, the reaction of the Government regarding increasing prices of ethanol?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

- (a) & (b): No Madam. Oil Marketing Companies (OMCs) are not importing any ethanol for the Ethanol Blended Petrol Programme.
- (c): Ethanol price was finalized through public tenders floated jointly by OMCs in 2006 in a range of Rs. 17.23/ litre to Rs. 21.50/ litre upto 31-10-2009. Meanwhile, Government approved a uniform ex-factory rate of Rs. 21.50/ litre in October 2007 for a period up to October 2010.
- (d) OMCs are not importing any ethanol for the EBP Programme. However, the domestic procurement of ethanol for the period from Nov 2006 to Oct 2009 was 58.7 crore litres.
- (e) & (f): During the year 2006-09, supply against demand for EBP was deficient to the extent of 60%. As such, the Programme was adversely affected. The contract for supply was up to October 2009.

In order to implement the EBP Programme on a sustainable basis, a proposal is under consideration of the Government.

A Group of Ministries (GoM) has been constituted in order to resolve various issues relating to the implementation of EBP Programme including pricing of ethanol.