

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

UNSTARRED QUESTION NO:5563
ANSWERED ON:29.04.2010
PROCUREMENT OF ETHANOL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether talks on pricing are going on between public sector oil companies and sugar mills regarding procurement of ethanol;
- (b) if so, the outcome thereof;
- (c) the names of the mills contracted for supplying ethanol, particularly in Maharashtra; and
- (d) the quantum of ethanol in million litres proposed to be provided by the said mills?

Answer

MINISTER of STATE in this Ministry of PETROLEUM & NATURAL GAS (SHRI JTTIN PRASADA)

- (a) & (b): The Government decided on 12-11-2009
 - (i) to enforce mandatory blending of 5% ethanol with MS for time being,
 - (ii) All issues relating to supply of ethanol be resolved by Inter-ministerial Committee consisting of Secretaries in Department of Food & Public Distribution, Department of Consumer Affairs, Ministry of Petroleum & Natural Gas (MoPNG) and Ministry of New and Renewable Energy.

Oil Marketing Companies (OMCs) have accordingly been directed to implement the decision of the Government.

The main issue coming in the way of implementation of above decisions relates to sufficient availability of ethanol and its pricing. In pursuance of the above directions, the OMCs have held a series of meetings with the sugar industry representatives. However, issues of availability and pricing have as yet not been resolved.

- (c) & (d): OMCs had invited public tenders in Jun`09/July `09 for 16 States and 3 UTs including Maharashtra. In Maharashtra, 11 bidders qualified in technical bid out of the 23 bidders who participated. Against the quantity tendered by OMCs i.e. 10.65 crore litres, the bidders offered a quantity of 5.91 crore litres only. Detailed information regarding names of the mills contracted for supplying ethanol is available with Director (Marketing), Oil Marketing Companies i.e. IOCL, BPCL & HPCL.