

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

STARRED QUESTION NO:484
ANSWERED ON:29.04.2010
ETHANOL BLENDED PETROL PROGRAMME
Alagiri Shri S. ;Gaikwad Shri Eknath Mahadeo

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

- (a) whether the ethanol blended petrol (EBP) programme is unable to make a dent due to the decline in sugar production, increase in the price and non-availability of molasses in sufficient quantity;
- (b) if so, the details thereof;
- (c) whether the oil refining and marketing companies have shown little interest in the programme, as it would impact them financially;
- (d) if so, the revenue loss likely to be incurred by the oil companies as a result of implementation of the programme; and
- (e) the steps taken to ensure sustained supply of ethanol at reasonable prices so as to maintain the supply of ethanol blended petrol without affecting the financial health of the oil marketing companies?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

- (a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO.484 BY SHRI S. ALAGIRIAF SHRI EKNATH M. GAIKWAD TO BE ANSWERED ON 29 APRIL 2010 REGARDING ETHANOL BLENDED PETROL PROGRAMME.

(a) & (b) Yes Madam. The Ethanol Blended Petrol (EBP) Programme has been adversely affected due to short fall in sugar production resulting in short supply of ethanol by the sugar industry. During the period 1st November, 2006 -31st October, 2009 against the total requirement of 180 crore litres, ethanol supplied was 58.70 crore litres only.

(c) & (d) The Oil Marketing Companies (OMCs) have procured the quantities offered by the sugar industry since November 2006. The OMCs have not suffered a revenue loss as a result of the implementation of the programme.

(e) The National Bio-fuel Policy notified in December 2009 states that the price of ethanol would be decided by the National Bio-fuel Coordination Committee. In the event of petrol price falling below the minimum purchase price for ethanol, the OMCs will be duly compensated by the Government. The Government is in the process of determining the Minimum Purchase Price for ethanol. Once the price is determined, the OMCs will procure the entire quantity offered by the sugar industry at such a price.