

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

STARRED QUESTION NO:43

ANSWERED ON:11.11.2010

PRICING OF ETHANOL

Sharma Shri Jagdish;Vardhan Shri Harsh

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

- (a) the annual availability of ethanol in the country;
- (b) whether the domestic procurement of ethanol is sufficient to implement the Ethanol Blended Petrol Programme (EBP) Programme.
- (c) if not, the steps taken to bridge the gap between the demand and the supply;
- (d) Whether the Group of Ministers has recommended to fix the selling price of ethanol as Rs.27/litre;
- (e) if so, the details thereof; and
- (f) the likely impact of the proposed increase in the selling price of ethanol on implementation of EBP Programme?

**Answer**

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF THE LOKSABHA STARRED QUESTION NO.43 (3rd Position) BY SHRI JAGDISH SHARMA & SHRI HARSH VARDHAN TO BE ANSWERED ON 11TH NOVEMBER 2010 REGARDING PRICING OF ETHANOL.

(a) to (c) In compliance of the decision of the Government, the Oil Marketing Companies (OMCs) are procuring ethanol for the Ethanol Blended Petrol (EBP) Programme to the extent of the ethanol made available by the domestic ethanol producers at the ex-factory declared price decided by the Government. For the period 1st November, 2010 to 31st October, 2011, against the requirement of 105.3 crore litres by the OMCs, contracts for 57.59 crore litres have been signed with the eligible suppliers till 31st October, 2010. The entire quantity offered by the eligible suppliers at the ad-hoc ex-factory price of 27/litre will be absorbed by the OMCs for the EBP Programme. It is for the domestic suppliers to make available the required quantity of ethanol at the declared ad-hoc price.

(d) to (f) On the basis of the recommendation of the Group of Ministers (GoM) the price of ethanol has been fixed at `27/litre on an ad hoc basis till such time the final price based on formula/principles as recommended by the Expert Committee appointed in this regard is approved by the competent authority. The price of `27/litre would be purely interim in nature and subject to adjustment with respect to the final price.

At the ad hoc ex-factory price of 27/litre, OMCs have signed (upto 31.10.2010) contracts for a quantity of 57.59 crore litres of ethanol for the period 1.11.2010 to 31.10.2011, as against quantity of 58.7 crore litres of ethanol actually supplied in the previous 3 years contract period from 1.11.2006 to 31.10.2009.