

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

STARRED QUESTION NO:165
ANSWERED ON:11.08.2011
PROCUREMENT OF ETHANOL
Alagiri Shri S. ;Singh Rajkumari Ratna

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

- (a) The estimated annual requirement of ethanol in the country as compared to the total availability/ procurement of the ethanol under the Ethanol Blended Petrol Programme;
- (b) Whether the Oil Marketing Companies (OMCs) have shown less interest in procurement of ethanol for the Ethanol Blended Petrol Programme;
- (c) if so, the reasons therefore ; and
- (d) The steps being taken by the Government to encourage the successful implementation of this programme?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

- (a) to (d) A statement is laid on the table of the house.

STATEMENT MENTIONED IN THE REPLY TO LOK SABHA STARRED QUESTION NUMBER 165 TO BE ANSWERED ON 11.8.2011 ON PROCUREMENT OF ETHANOL

(a) As per the position of availability and clearance from respective State Governments, against the annual requirement of 105 crore litres of ethanol for implementation of 5% Ethanol Blended Petrol (EBP) Programme in notified 20 States & 4 UTs, only 55.87 crore litres of ethanol in 13 States & 3 UTs have been contracted and 28.79 crore litres of ethanol has been supplied upto 31.07.2011.

(b) & (c) No Madam. The Government has decided on 16.08.2010 that the Oil Marketing Companies (OMCs) would purchase entire quantity of ethanol made available by the domestic manufacturers of ethanol at the declared price to be decided by the Government. An adhoc ex-factory price of `27/litre was decided by the Government which is subject to adjustment with respect to the final price to be determined based on the report of the Expert Committee on Pricing of Ethanol for EBP Programme. In pursuance of the Government Decision, OMCs are implementing the EBP Programme by procuring the entire quantity of ethanol made available by the domestic suppliers at the adhoc ex-factory price decided by the Government.

(d) As per the Government decision dated 16.8.2010, a 'Working Group of Officers for Allocation of Ethanol' has been constituted for allocation of quantities of ethanol and locations for supply by the sugar industry and also for ascertaining the possibility of availability and other procedural issues. Accordingly, the Working Group monitored the implementation issues on a regular basis till the time the programme stabilized.

Further, State Governments have been requested to simplify procedures in giving storage permissions to OMCs and issue of allotments and permissions for movement of ethanol required for EBP Programme.

Current contract of Ethanol supplies will be expiring by 30.09.2011 and OMCs are arranging to float fresh EOI seeking fresh offers for supply of Ethanol to cover all the 20 States & 4 UTs w.e.f. 01.10.2011.