

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

UNSTARRED QUESTION NO:428  
ANSWERED ON:09.08.2012  
ETHANOL PRICING POLICY  
Vijayan Shri A.K.S.

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

- (a) whether the Government has reviewed ethanol pricing policy and its implementation;
- (b) if so, the details thereof;
- (c) whether the Government has also received any representation regarding its ethanol policy; and
- (d) if so, the details thereof and the response of the Government thereto?

**Answer**

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

(a) & (b) In its meeting held on 20.01.2012, National Bio-fuel Steering Committee (NBSC), under the chairmanship of Cabinet Secretary, has accepted the pricing formula suggested by the Expert Committee, constituted under the chairmanship of Dr. Saumitra Chaudhury, Member, Planning Commission, for proposing the formula/ principles of pricing of ethanol. The matter is under consideration of the National Bio-fuel Coordination Committee (NBCC) for a decision.

(c) & (d) Various industrial associations dealing with alcohol/ ethanol have been making representations towards implementation of Ethanol Blended Petrol (EBP) Programme. Ethanol Manufacturers Association of India (EMAI) is optimistic about the availability of required quantity of ethanol for 5% of EBP Programme. However, EMAI has demanded for increase in the basic price of ethanol, as members of EMAI have been supplying ethanol to OMCs at a loss of Rs.4.00 to Rs.5.00/litre on ethanol production cost.

Indian Chemical Council (ICC) has pointed out that with blending of ethanol in EBP Programme, there would be a shortage of ethanol in the country which will have a direct negative impact on Chemical Industry as ethanol is the principal raw material.

While the pricing issue is being considered by NBSC and NBCC, the EBP Programme is being implemented by OMCs in pursuance of the Government decision dated 16.8.2010.