

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

UNSTARRED QUESTION NO:4359  
ANSWERED ON:22.03.2013  
PRICING OF BIO ETHANOL  
Reddy Shri Magunta Srinivasulu

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

- (a) whether the Government has constituted any committee on pricing of bio-ethanol for blending with petrol and other issues; and  
(b) if so, the details thereof and the present status thereof?

**Answer**

MINISTER of STATE in the MINISTRY of PETROLEUM & NATURAL GAS (SHRIMATI PANABAACA LAKSHMI)

(a) & (b) An Expert Committee on Pricing of Ethanol was constituted on 19th July 2010 under the chairmanship of Dr. Saumitra Chaudhuri, Member Planning Commission with a view to proposing the formula/ principles for pricing of ethanol taking into account various factors like pricing of sugar cane and petroleum products, and other factors affecting the pricing.

The Expert Committee submitted its final report in March 2011 containing its recommendations on pricing of ethanol. National Bio-fuel Steering Committee (NBSC), under the chairmanship of Cabinet Secretary, accepted the pricing formula suggested by the Expert Committee in its meeting held on 20.01.2012 and recommended to solicit the approval of National Bio-fuel Coordination Committee (NBCC).

Subsequently, the Cabinet Committee on Economic Affairs (CCEA) has decided on 22.11.2012 that 5% mandatory ethanol blending with petrol should be implemented across the country and procurement price of ethanol will be henceforth decided between Oil Marketing Companies (OMCs) and suppliers of ethanol. In case of any shortfall in domestic supply, the OMCs and Chemical companies would be free to import ethanol.