

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

UNSTARRED QUESTION NO:406
ANSWERED ON:06.12.2013
ETHANOL BLENDING OF PETROL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the details of the notification issued by the Government for implementing 5% mandatory ethanol blending of petrol;
- (b) whether the Oil Marketing Companies (OMCs) have been able to achieve the mandatory 5% ethanol blending of petrol by 30th June, 2013;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether the OMCs have floated tenders for the procurement of ethanol, if so, the details of quantity of ethanol offered by the domestic producers and suppliers and the orders placed by the OMCs in this regard; and
- (e) the steps being taken or proposed to be taken by the Government/OMCs to ensure that the mandatory 5% ethanol blending of petrol is achieved?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRIMATI PANABAACA LAKSHMI)

(a) A Gazette Notification has been issued by MoPNG on 2nd January, 2013 directing Oil Marketing Companies (OMCs) to sell ethanol blended Petrol with percentage of ethanol upto 10% as per BIS Specification to achieve 5% ethanol blending across the country as a whole.

(b) to (e) The Government had further decided on 22.11.2012 that 5% mandatory ethanol blending with petrol should be implemented across the country to be achieved by 30.06.2013. The procurement price of ethanol was to be decided between OMCs and suppliers of ethanol and in case of any shortfall in domestic supply, the OMCs and Chemical companies were free to import ethanol.

Accordingly, OMCs floated a tender on 29th December, 2012 for their requirement of 140.4 crore litres of ethanol for 10% blending in 6 States and 5% blending in 14 States and 4 UTs for the period from July 2013 to June 2014. Against the said tender, total quantity of 55 crore litres of ethanol was offered by the bidders. A total quantity of 40 crore litres was finalized by the Oil Industry for procurement at 54 industry locations. After the placement of Letter of Intent to the vendors by OMCs, Purchase Orders were signed for 38.2 crore litres in June-August 2013 and OMCs have procured about 14.1 crore litres of ethanol as on 28th November 2013.

A global tender was also floated by OMCs on 18th January 2013 for 82.03 crore litres of ethanol. However, due to the high prices quoted by the vendors, the global tender has been closed by the OMCs.

As the OMCs could not get the required quantity of ethanol through tender process for achieving the target of 5% overall ethanol blending by June, 2013, the Government decided that OMCs should procure ethanol from domestic sources to achieve the mandatory requirement of 5% ethanol blending with petrol by October 2013 in areas/parts of the country where sufficient quantity of ethanol is available. In other parts of the country, blending of ethanol would be increased progressively depending upon the availability of ethanol to reach the 5% mandatory level.

Accordingly, OMCs floated a fresh tender on 22.07.2013 for the period from 1.12.2013 to 30.11. 2014 for a quantity of 133.2 crore litres of ethanol for blending with petrol. A total offer for supply of 61.8 crore litres of ethanol has been received and is under negotiations.

State Governments have been requested to simplify procedures and expedite clearances to ease the availability of Ethanol for the EBP Programme.

The State Government of Karnataka has been requested to grant excise permissions to OMCs for implementation of 10% ethanol blending in petrol in the State of Karnataka.