

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

UNSTARRED QUESTION NO:565

ANSWERED ON:14.07.2014

ETHANOL BLENDING IN PETROL AND DIESEL

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

- (a) the quantity of ethanol blended petrol and diesel sold so far in the country along with tenders/prices offered for supply of ethanol to the Oil Marketing Companies by the sugar and other ethanol producing industries;
- (b) the concrete steps taken by the Government to divert more molasses for ethanol production and find out the possibility of finding other sources i.e. from foodcrop/corn etc. ethanol production;
- (c) whether the Government has explored the possibility of import of ethanol from Brazil, United States of America and other countries to meet its shortage in the country; and
- (d) if so, the details thereof along with quantity imported during each of the last three years and the current year?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE) (SHRI DHARMENDRA PRADHAN)

(a): Details of Ethanol blended Petrol sales by Oil Marketing Companies (OMCs) and prices offered by ethanol vendors for Oil Industry Tenders/EOIs for the last three years and current year are given as under:

| Financial year     | Ethanol Blended Petrol Sales<br>in Kilo Litres |         |         |
|--------------------|--|---------|---------|
|                    | IOCL   | BPCL    | HPCL    |
| 2011-12            | 2952290  | 1976175 | 1899973 |
| 2012-13            | 1895164  | 1197956 | 1079252 |
| 2013-14            | 2146508  | 1314903 | 1511512 |
| April to June 2014 | 820622   | 375906  | 513942  |

| Expression of Interest (EOI)/Tenders   | Ethanol Base Price<br>Per Kilo Litre |
|--|--------------------------------------|
| EOI floated in 2010  | Rs.27000                             |
| EOI floated in 2011  | Rs.27000                             |
| EOI floated in 2012  | Rs.27000                             |
| Public Tender floated in January 2013  | Rs.32000 to Rs.38000                 |
| Public Tender floated in July 2013 and<br>follow up EOI floated in January 2014. | Rs.34000 to Rs.38000                 |

However, Ethanol is not blended with Diesel.

(b): With a view to increase production of ethanol, the Government is providing soft loans up to 40% of the project cost to the sugar mills from Sugar Development Funds (SDF) for setting up ethanol projects.

(c)&(d): The Government had decided on 22.11.2012 that in case of any shortfall in domestic supply, the OMCs and Chemical companies are free to import ethanol. However, the global tender floated by OMCs on 18.01.2013 for 82 crore litres of ethanol, could not be finalised due to high prices sought by the vendors and the global tender was closed by the OMCs.

The Government decided on 3.7.2013 that OMCs would procure ethanol only from domestic sources to achieve the mandatory requirement of 5% ethanol blending with petrol in areas/parts of the country where sufficient quantity of ethanol is available. In other parts of the country, blending of ethanol may be increased progressively depending upon the availability of ethanol to reach the 5% mandatory level.