

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

UNSTARRED QUESTION NO:59  
ANSWERED ON:24.11.2014  
ETHANOL BLENDING  
Ram Mohan Naidu Shri Kinjarapu

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

- (a) whether the Government has achieved success in 5 per cent ethanol blending with petrol;
- (b) if so, the details thereof along with quantity offered by ethanol producers and procured/utilised by the Oil Marketing Companies during the last three years;
- (c) whether the Indian sugar industry has represented to the Government to produce enough ethanol from their molasses to meet the requirement of 10 per cent ethanol blending programme in the country;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to incentivise the ethanol producing industry/ farmers in the country in order to meet the demand of ethanol in the country in the years to come as well as to reduce the import bill?

**Answer**

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

(a): No Madam. During 2013-14 the Oil Marketing Companies (OMCs) could achieve approx.

1.37% blending of ethanol in petrol.

(b): The quantum of ethanol offered by ethanol producers and procured and utilized by OMCs since 2010-11 (Sugar year) is as under :

(Quantity in Kilo Litres)

Period (Sugar year)	Quantity offered by OMCs	Valid offer by vendors	Order placed	Quantity supplied
2010-11	702900	558696	558696	361882
2011-12	577000	412251	412251	305744
2012-13	323000	323000	323000	Nil
2013-14	1180000	782901	650129	473509

LOIs were issued to vendors but none came forward to sign agreement after CCEA Decision in November 2012 making the process of ethanol procurement market driven through tender.

(c) & (d): MoP&NG has received a representation dated 3rd September 2013 from Indian Sugar Mills Association (ISMA), in which they have expressed their willingness to reach the 10% blend level across the nation in a couple of years. In another representation dated 19th November 2013, ISMA has requested the Government to take steps to move to a flexible ethanol blending programme with Petrol ranging from 5% to 25% depending upon excess sugarcane available at a fixed premium pricing commensurate with the cost of production.

(e): 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.