

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

UNSTARRED QUESTION NO:3454  
ANSWERED ON:24.08.2006  
SUPPLY OF ETHANOL BLENDED PETROL  
Lagadapati Shri Rajagopal

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

- (a) whether oil marketing companies and the Indian Sugar Mills Association have signed any agreement for supply of ethanol-blended petrol in some States;
- (b) if so, the details thereof alongwith the States to which ethanol-blended petrol will be supplied;
- (c) whether Andhra Pradesh is included in the selected States for supply of ethanol-blended petrol;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

Minister of State in the MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (e) IOC, on behalf of the Public Sector Oil Marketing Companies, had signed an MoU on 4.8.05 for a period of one year with Indian Sugar Mills Association for sustained supply of ethanol.

The Ministry of Petroleum & Natural Gas (MoP&NG) had introduced the scheme of mandatorily supplying 5% ethanol blended petrol in major sugar producing States and contiguous Union Territories w.e.f. 1.1.2003. MoP&NG issued an amending Notification dated 27.10.2004 making sale of Ethanol Blended Petrol (EBP) mandatory in 10 States and 3 UTs if the price of sourcing indigenous ethanol for supply of ethanol-blended petrol is comparable to the price of indigenous ethanol for alternative uses; the delivery price of ethanol at the location is comparable to the import parity price of petrol at that location; and the indigenous ethanol industry is able to maintain uninterrupted supply of ethanol for ethanol-blended petrol programme at such prices. In terms of this amended notification ,the Public Sector Oil Marketing Companies (OMCs) are procuring ethanol to meet their requirements through tender process. At present, OMCs are implementing the programme in the areas of UP, Uttaranchal, Punjab, Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra states as per the availability of ethanol. The entire State of Andhra Pradesh is envisaged to be covered under the EBP programme except two districts viz, Chittoor & Nellore.