

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

UNSTARRED QUESTION NO:1497

ANSWERED ON:08.03.2007

ETHANOL BLENDED PETROL PROGRAMME

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

(a) whether the Government has any plan for construction of plants for production of ethanol;

(b) if so, the details thereof; and

(c) the present status of implementation of ethanol blended petrol programme ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b):- Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) which is the concerned Administrative Ministry for the manufacture of ethanol, a de-licensed item, does not have any plan for construction of plants for production of ethanol.

(c):-Ministry of Petroleum and Natural Gas vide Gazette Notification No. G.S.R 580(E) dated 20.9.2006 has directed that subject to commercial viability, oil marketing companies shall sell 5 percent ethanol blended petrol, as per Bureau of Indian Standards specification, in the notified 20 States and 4 Union Territories w.e.f. 1.11.2006. Oil Marketing Companies are procuring ethanol from indigenous producers through open tenders with validity for three years extendable by two more years. The tenders have been finalised in respect of Uttar Pradesh, Uttaranchal, Bihar, Delhi, Jharkhand,, Goa, Karnataka, Maharashtra

(partially), Andhra Pradesh (partially) and Tamil Nadu. The State Govt. of Tamil Nadu has since informed OMCs that ethanol would not be available for EBP programme till 31.3.2007 due to shortage. OMCs could not finalise tenders in the states of Haryana, Punjab, Himachal Pradesh, Rajasthan, Orissa, Gujarat, Madhya Pradesh, Chattisgarh and Union Territories of Chandigarh, Daman and Diu, Dadra and Nagar Haveli and Pondichery as EBP supplies are not commercially viable due to levy of high taxes / levies on ethanol by the State Govts. Tenders could not be finalised in West Bengal and Kerala as the State Govts. are yet to notify the applicable taxes / levies on ethanol supplies for EBP programme.