

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

UNSTARRED QUESTION NO:3281
ANSWERED ON:06.09.2007
ETHANOL BLENDED PETROL
Singh Shri Suraj;Suman Shri Ramji Lal

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

- (a) Whether the Government have allowed the sale of 5% ethanol blended petrol in the country;
- (b) if so, the details thereof;
- (c) the names of the companies which have started to mix 5% ethanol in petrol;
- (d) the names of the companies which have not adopted this policy yet; and
- (e) the reasons for not adopting this policy therefore?

Answer

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

(a) & (b) Yes, Sir. Ministry of Petroleum and Natural Gas Vide Notification No. G.S.R. 580 (E) dated 20.9.2006 has directed that subject to commercial viability, Oil Marketing Companies shall sell 5 % of 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 a validity period of three years extendable by two more years.

The tenders for supply of Ethanol have been finalized in the States of Uttar Pradesh, Uttarakhand, Delhi, Bihar, Jharkhand, Goa, Punjab, Haryana, Rajasthan, Gujarat, Karnataka, Tamil Nadu, Maharashtra, Himachal Pradesh and Andhra Pradesh (partially). The ethanol blended petrol supplies have already commenced in the States of Uttar Pradesh, Delhi, Uttarakhand, Goa, Maharashtra, Punjab, Haryana, Himachal Pradesh, Karnataka, Bihar, Jharkhand (partially), Gujarat (partially) and Andhra Pradesh (partially).

(c)to(e) Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have already started selling of 5% ethanol blended petrol in the States of Uttar Pradesh, Delhi, Uttarakhand, Goa, Maharashtra, Punjab, Haryana, Himachal Pradesh, Karnataka, Bihar, Jharkhand (partially), Gujarat (partially) and Andhra Pradesh (partially).

However, the 5% EBP programme could not be implemented by these companies in the remaining States due to -

- (i) Delay in issuance of requisite Gazette Notification by State Government of West Bengal,
- (ii) Hurdles in free inter-state movement of ethanol,
- (iii) Delay in issue of excise permits and
- (iv) Non-rationalisation of levy of taxes/duties on ethanol.