

- (a) whether a plan to add 20 per cent ethanol in petrol is under consideration in the country;
- (b) if so, by when this plan would be implemented; and
- (c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) No, Sir. Presently no such plan is under consideration in the country.

- (b) Does not arise in view of (a) above.

(c) Ministry of Petroleum & Natural Gas launched the 5% Ethanol Blended Petrol (EBP) Programme subject to commercial viability with effect from 1st November, 2006 in the entire country except for North Eastern States, J&K & Island Territories.

During the period 2006-2009, the availability of ethanol was deficient to the extent of 60%, as against the requirement of 180 crore litres, quantity contracted was 146.6 crore litres and the quantity supplied was only 58.7 crore litres. The shortfall was more pronounced at 85% of the prorated quantity during 2009-10, affecting the implementation of the Programme adversely.

Taking above scenario into consideration and to give fillip to the EBP Programme, the Government has decided on 16.8.2010 to implement the EBP Programme to the extent of the ethanol made available by the domestic ethanol producers at the ex-factory declared price decided by the Government. As per the Government decision, after ascertaining the actual availability of ethanol in the country, percentage of blend from 0-10% would be recommended area wise by the Working Group of officers constituted for the purpose. Further, BIS specification of ethanol to be blended with petrol is limited to 10%.

As such, for raising the blending level upto 20%, the initial blending stages of 5%, 10% etc. need to be stabilized first.

Demand for compensation by oil companies for loss

2292. SHRI T.M. SELVAGANAPATHI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that the oil companies have lost over ₹ 50,000 crore on selling fuel below cost upto now;

(b) if so, the details thereof;

(c) whether it is also a fact that the oil companies have sought compensation from Government for the loss suffered by them; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (d) The Public Sector Oil Marketing Companies (OMCs) namely Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have incurred under-recovery of ₹ 31,367 crore* during the first half of 2010-11, i.e., April-September, 2010, the product-wise details of which are given below:

(Rs. crore)

Under-Recovery	April-September, 2010
Petrol	2,227**
Diesel	11,153
PDS Kerosene	9,201
Domestic LPG	8,786
TOTAL	31,367

* Gross under-recoveries without considering budgetary support and upstream assistance.

** Under-recovery on petrol is only up to 25th June, 2010

To compensate the OMCs under-recoveries, the Government has been following an equitable burden sharing mechanism, under which the different stakeholders contribute in the following manner:

- (i) Government through issuance of Oil Bonds/cash assistance;
- (ii) Upstream oil companies namely, Oil and Natural Gas Corporation (ONGC), Oil India Limited (OIL) and GAIL (India) Limited (GAIL) by way of price discount on Crude oil and products;
- (iii) Oil Marketing Companies (OMCs), by absorbing a part of the under-recoveries; and
- (iv) Price increases for the consumers, from time to time.

The details of the under-recoveries of OMCs compensated by the Government and Upstream Oil Companies for the period April-September, 2010 is given below:

(i crore)

April-September, 2010	
Under-recovery on sensitive petroleum products	31,367
Burden sharing through:	
- Cash assistance confirmed by Government	13,000
- Upstream assistance	10,456
- Balance under recovery borne by OMCs	7,911

The burden sharing mechanism for 2010-11 will be finalized in consultation with the Ministry of Finance towards the end of the financial year.

Objection of NWLB on conduct of oil exploration at Kutch in Gujarat

2293. SHRI PARSHOTTAM KHODABHAI RUPALA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the action taken by the Ministry to explore maximum possible areas of Gujarat for boosting petroleum resources for nation; and

(b) what fruitful action has been taken by the Ministry to the objection of National Wild Life Board (NWLB) to conduct exploration in Kutch area of Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) In order to establish the hydrocarbon prospectivity of the State, various geo-scientific surveys have been conducted over the years, such as Aero-Magnetic, Gravity-Magnetic, Magneto-Telluric, 2D Seismic and Geochemical surveys, in various parts of Gujarat.

As on 1.10.2010, ONGC was holding 20 PELs and 163 PMLs under nomination. In addition 37 exploration blocks covering an area of about 21,993 sq. km have been awarded in Gujarat Under Pre-NELP and various rounds of NELP. Also under recently launched NELP IX round, another 11 exploration blocks covering an area of about 2,878 sq. km have been offered.

(b) Under the PSC regime, one block, namely GK-ON/4, awarded under Pre-NELP around (Operator Focus Energy-100%, Licensee ONGC), falls in the district of Bhuj in Gujarat. A part of this block falls in Narayan Sarovar Wildlife Sanctuary. The operator has requested for permission from Ministry of Environment & Forests to carry out 2D seismic survey and drill exploratory wells in this area.