

GEMA/2024-25/MoPNG/318

Date: 27th February 2025

To,

Shri Hardeep Singh Puri Ji

Hon'ble Minister to the Govt. of India

Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi – 110001

Subject: Delay in Issuance of FCI Rice for Q-2 of Cycle-3 Allocations.

Dear Sir,

We sincerely appreciate the Government of India's initiative to allow the supply of surplus FCI rice to the grain ethanol industry, recognizing the critical feedstock shortfall required to achieve the E-20 program's 20% ethanol blending target.

However, we wish to highlight that one month of Q-2 has already passed, and instructions for the supply of surplus rice from FCI have yet to be issued. It is expected that the supply may only resume in the next 7-10 days, potentially delaying the production of rice-based ethanol until March 15, 2025. This would result in the loss of nearly half of Q-2's allocated period.

The industry has been allotted 14.97 LMT of rice for Q-2, yet due to this delay, nearly half of the quarter may pass without the availability of surplus FCI rice. Consequently, ethanol manufacturers are facing severe challenges, including the looming threat of significant penalties for non-supply, which is entirely beyond the industry's control.

The anticipated impact of this delay is as follows:

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|--|---------------------------|
| • Total Rice Issued for Q-2 of Cycle-3: | 14.97 LMT |
| • Quantity Affected Due to Delay: | 07.48 LMT |
| • Volume of Lost Ethanol Production: | 33.66 Crore Liters |
| • Value of Lost Ethanol Production: | ₹1969.11 Crores |
| • Anticipated PRC (Penalty @ 3%): | ₹59.07 Crores |

The grain ethanol industry is deeply concerned about this substantial penalty, which has arisen through no fault of its own. Given that the delay is due to the non-issuance of surplus rice supply, we urgently request that necessary directions be issued to OMCs, ensuring that this penalty is not levied for ESY 2024-25.

We seek your prompt and favourable intervention in this matter. Should any clarification be required, please feel free to contact us at your convenience.

With Regards



Dr. C. K. Jain, President

Copy to: 1) Sh. Pankaj Jain, Secretary, MoPNG

2) Sh. Rohit Mathur, Joint Secretary (BR), MoPNG

3) OMC Coordination Committee (BPCL, IOCL & HPCL)

i) Sh. Anurag Saraogi, Chief General Manager- BPCL, Mumbai

ii) Sh. Siddhartha Mitra, Chief General Manager- IOCL, Mumbai

iii) Sh. K. K. Kishore, Chief General Manager-HPCL, Mumbai