

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-2529**  
ANSWERED ON - 11/08/2025

**PROGRESS ON ETHANOL BLENDING TARGETS**

2529. SHRI MASTHAN RAO YADAV BEEDHA:

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

- (a) whether Government is on track to achieve 20 per cent ethanol blending in petrol by 2025, ahead of the original 2030 target;
- (b) if so, the details thereof, including the current percentage of ethanol blending achieved as of July, 2025 and the steps taken to accelerate this progress;
- (c) whether there are any challenges in achieving the 2025 target;
- (d) if so, the details thereof, including measures being taken to address these challenges; and
- (e) the details of the incentives provided to the ethanol industries, and favorable policies to promote the ethanol industry?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS

(SHRI SURESH GOPI)

(a) to (e): The National Policy on Biofuels – 2018, as amended in 2022, *inter-alia* advanced the target of 20% blending of Ethanol in petrol from 2030 to Ethanol Supply Year 2025-26 (ESY- 1<sup>st</sup> November, 2025 to 31<sup>st</sup> October, 2026). Public Sector Oil Marketing Companies (OMCs) achieved the target of 10% Ethanol blending in petrol in June 2022 i.e. five months ahead of the target during ESY 2021-22, 12.06% in ESY 2022-23 and 14.60% in ESY 2023-24. Further, for the ongoing ESY 2024-25, the blending percentage has gone up to 19.05% as on 31.07.2025. During the month of July, 2025, Ethanol blending of 19.93% has been achieved.

In order to achieve 20% Ethanol blending target by the Ethanol Supply Year (ESY) 2025-26, the Government have taken several steps to promote ethanol production in India which *inter-alia* includes expansion of feedstock for Ethanol production, administered price mechanism for Ethanol procurement under the Ethanol Blended Petrol (EBP) Programme, lowered GST rate to 5% for Ethanol for EBP Programme, introduction of various Ethanol Interest Subvention Schemes (EISS) during 2018-22, a dedicated subvention scheme for Cooperative Sugar Mills to convert existing sugarcane-based distilleries into multi-feedstock plants for ethanol production from molasses as well as grains, Long Term Offtake Agreements (LTOAs) between OMCs and Dedicated Ethanol Plants, approval by Government for allocation of 52 Lakh Metric Tonne (LMT) of surplus Food Corporation of India (FCI) rice for ethanol production, each for the ESY 2024-25 (from 1<sup>st</sup> November 2024 to 31<sup>st</sup> October 2025) and ESY 2025-26 up to 30.06.2026, diversion of 40 LMT of sugar for ethanol production allowed for the ESY 2024-25, notified the “Pradhan Mantri JI-VAN (Jaiv Indhan-Vatavaran Anukool fasal awashesh Nivaran) Yojana”, to provide financial assistance for setting up Advanced Biofuels projects in the country using lignocellulosic biomass and other renewable feedstock, multimodal transportation of ethanol to enhance availability of ethanol and increasing ethanol storage capacity along with other allied infrastructure for handling of higher blends of ethanol.

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