

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-2530
ANSWERED ON - 11/08/2025

ROADMAP FOR ETHANOL BLENDING

2530. DR. SIKANDER KUMAR:

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

- (a) whether Government has urged the states to reconsider recent policy changes regarding new fees such as regulatory charges on ethanol that could disrupt the free movement of ethanol within and outside the States;
- (b) if so, the details thereof; and
- (c) the measures taken by Government to work with States to align policies with national energy goals, promote cleaner fuels, and support the circular economy across the country?

ANSWER

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

(SHRI SURESH GOPI)

(a) & (b): Government has taken cognizance of recent policy changes on denatured ethanol by certain State Governments, particularly with respect to levies such as renewal fees, license fees, storage fees, capacity enhancement fees, import/export duties etc. Accordingly, Ministry of Petroleum and Natural Gas (MoPNG) has taken up the matter with the concerned State Governments requesting for reconsideration of such levies/duties in light of the national ethanol blending programme and the fact that ethanol is covered under Goods and Services Tax (GST).

Details of such levies/duties are tabulated below:

New Excise Policy of State	Levies/Duties on ethanol as per new Excise Policy
Haryana	Rs. 1 per bulk litre (BL) for ethanol blending in petrol, Rs.1.2 per BL on import of ethanol, substantial increase in annual renewal fee, license grant fee etc.
Himachal Pradesh	Rs. 1 per litre on ethanol consumption beyond 300 kilo litre annually, substantial increase in annual renewal fee, license grant fee, and capacity enhancement fee etc.
Punjab	Ethanol regulatory fee of Rs.1 per BL, substantial increase in annual renewal fee, license grant fee, and capacity enhancement fee etc.
Jharkhand*	Import/Export fee, transportation fee, ethanol storage license fee etc.

* *Draft Excise Policy*

The State of Uttar Pradesh levies export fees of Rs. 1 per BL on denatured alcohol.

The Government has urged these State Governments (Haryana, Himachal Pradesh Punjab and Jharkhand) to facilitate ethanol production, storage and movement within and across the States through rationalized excise levies/duties and supportive regulatory framework.

(c): The National Policy on Biofuels lays out the roles and responsibilities of all the stakeholders including Ministries/Departments/States with respect to biofuels to synergise efforts. It also provides an institutional mechanism for overall coordination, effective end-to-end implementation and monitoring of biofuel programmes. Additionally, NITI Aayog has launched the ASSET (Accelerating Sustainable State Energy Transition) platform in collaboration with Ministry of New and Renewable Energy and Ministry of Power to co-create clean energy transition blueprint and implementation roadmaps, focussing on emerging technologies, circular economy principles, and sectoral decarbonisation strategies at the State level.
