

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-2539
ANSWERED ON - 11/08/2025

ETHANOL BLENDING TARGETS

2539. SHRI HARSH MAHAJAN:

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

- (a) whether Government has set any time-bound target to promote ethanol blending in petrol;
- (b) if so, the details of the ethanol blending targets to be achieved by 2025 and 2030;
- (c) the average percentage of ethanol blending in the country at present and States in which it is lagging behind the target;
- (d) whether along with sugarcane-based ethanol, ethanol produced from other sources like maize, rice is also being given priority; and
- (e) the major steps taken by Government to boost ethanol production and supply chain?

ANSWER

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

(SHRI SURESH GOPI)

(a) to (c): 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 (ESY) 2025-26. So far, no decision has been taken by the Government for increasing ethanol blending with petrol beyond 20%.

The Government has been promoting blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme wherein Public Sector Oil Marketing Companies (OMCs) sell ethanol blended with petrol. During the ongoing ESY 2024–25, OMCs have achieved an average ethanol blending of 19.05% as on 31.07.2025. In the month of July 2025, Ethanol blending of 19.93% has been achieved. State-wise Ethanol blending targets are not set.

(d) & (e): In order to ensure availability of feedstock for ethanol production to achieve 20% Ethanol blending target by the Ethanol Supply Year (ESY) 2025-26, the Government have taken several steps which *inter-alia* includes (i) expansion of feedstock for Ethanol production as per the National Policy on Biofuels, as amended in 2022, (ii) development of Maize Cluster around ethanol plants by Department of Agriculture and Farmers Welfare (DAFW) and a Project by ICAR-Indian Institute of Maize Research (IIMR) titled “Enhancement of maize production in catchment areas of ethanol industries” to increase the production of maize in catchment area of

grain based distilleries, (iii) 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 1st November 2024 to 31st October 2025) and ESY 2025-26 up to 30.06.2026, and (iv) diversion of 40 LMT of sugar for ethanol production allowed for the ESY 2024-25.

Further, to boost ethanol production as well as supply in the country, Government introduced administered price mechanism for Ethanol procurement under the Ethanol Blended Petrol (EBP) Programme, lowered GST rate to 5% for Ethanol for EBP Programme, introduced various Ethanol Interest Subvention Schemes (EISS) during 2018-22 for Ethanol production from molasses as well as grains, a dedicated subvention scheme for Cooperative Sugar Mills to convert existing sugarcane-based distilleries into multi-feedstock plants for ethanol production has been notified by the Government on 06.03.2025, Long Term Offtake Agreements (LTOAs) between OMCs and Dedicated Ethanol Plants, 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.
