

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-943
ANSWERED ON - 08/12/2025

ROADMAP FOR ACHIEVING THE 20 PER CENT ETHANOL BLENDING TARGET

943. SHRI RATANJIT PRATAP NARAIN SINGH:

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

- (a) Government's roadmap for achieving the 20 per cent ethanol blending target (E20) by 2025;
- (b) the total ethanol production capacity in the country and the contribution from the State of Uttar Pradesh, a major sugarcane State;
- (c) the number of sugar mills and distilleries in Kushinagar district contributing to the ethanol blending programme;
- (d) whether Government is providing special incentives for setting up 2G (second generation) ethanol plants using agri-residue (like paddy straw or 'parali') in this region; and
- (e) the impact of E20 blending on retail petrol prices?

ANSWER

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

(SHRI SURESH GOPI)

(a): Government have been promoting blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme. 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- 1st November, 2025 to 31st 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. During Ethanol Supply Year (ESY) 2024-25, more than 1000 crore litres of ethanol have been blended thereby achieving an average blending of 19.24% ethanol in Petrol. In the month of October, 2025, ethanol blending of 19.97% has been achieved.

(b): As informed by the Department of Food and Public Distributions (DFPD) the total ethanol production capacity in the country as on November 2025 is about 1990 crore litres, the contribution from the State of Uttar Pradesh is 236 crore litres.

(c): DFPD has informed that there are 4 sugar mills operating in District Kushinagar of Uttar Pradesh, however, none of the sugar mills has an ethanol distillery attached with it for production of ethanol.

(d): To incentivize the use of non-food biomass for second generation ethanol production throughout the country including Kushinagar region, Government has launched “Pradhan Mantri JI-VAN (Jaiv Indhan- Vatavaran Anukool fasal awashesh Nivaran) Yojana” 2019, amended in 2024, with the objectives to establish advanced biofuels projects in the country using lignocellulosic biomass and other renewable feedstocks. This scheme envisages setting up of

commercial Advanced Biofuel Projects and demonstration scale Advanced Biofuel Projects for improving commercial viability as well as promoting R&D for development and adoption of technologies in the field of production of advanced biofuels. Under the PM JI-VAN Yojana, the maximum financial assistance of Rs.150 crore per project for commercial scale projects and Rs. 15 crore per project for demonstration scale projects have been prescribed.

(e): Procurement prices of ethanol have been increasing over the years. For the Ethanol Supply Year 2024-25, the average procurement cost of ethanol stands at Rs. 71.55 per litre (inclusive of transportation and GST), which is higher than the cost of refined petrol.

The price of petrol (including ethanol blended petrol) has been market determined with effect from 26.06.2010. Since then, OMCs take appropriate decisions on pricing on petrol based on inter-alia international product prices, domestic market conditions etc.
