

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-947
ANSWERED ON - 08/12/2025

ETHANOL BLENDED PETROL PROGRAMME ROADMAP

947. SHRI RAJINDER GUPTA:

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

- (a) the details of the Ethanol Blended Petrol Programme Roadmap as laid down by Government, along with its stated aims and objectives;
- (b) the details of progress made under the same and the targets achieved as a result;
- (c) the benefits realised as a result of the same;
- (d) the challenges faced in this regard with respect to supply chain and vehicle compatibility; and
- (e) the proposed measures to be taken in this respect to promote ethanol blending while reducing oil imports?

ANSWER

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

(SHRI SURESH GOPI)

(a) to (c): Government have been promoting blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme with multiple objectives. As a green fuel, Ethanol supports the environmental sustainability efforts of the Government. It reduces import dependence on crude oil while saving foreign exchange and promotes domestic agriculture sector.

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.

EBP Programme has resulted in expeditious payment to farmers to a tune of over Rs. 1,36,300 crores from Ethanol Supply Year (ESY) 2014-15 up to October 2025, besides savings of more than Rs. 1,55,000 crore of foreign exchange, net CO2 reduction of approximately 790 lakh metric tonne and substitution of more than 260 lakh metric tonnes of crude oil.

(d) & (e): In order to ensure consistent availability of feedstock and infrastructure for ethanol production in the country, Government have taken several steps 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, signing of 233 Long Term Offtake Agreements (LTOAs) between OMCs and Dedicated Ethanol Plants, 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, diversion of 40 LMT of sugar for ethanol production for the ESY 2024-25 and unrestricted production of ethanol from sugarcane juice/sugar syrup, B-Heavy Molasses as well as C-Heavy Molasses for ESY 2025-26, 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 and increasing ethanol storage capacity along with other allied infrastructure for handling of higher blends of ethanol.

Further, the Inter-Ministerial Committee (IMC) constituted on 26.12.2020 under NITI Aayog had inter-alia, examined various aspects of vehicle compatibility and mileage. This assessment was also supported by research studies conducted by Indian Oil Corporation Limited (IOCL), the Automotive Research Association of India (ARAI), and the Society of Indian Automobile Manufacturers (SIAM). Extensive field trials on vehicles with E20 fuel did not indicate any compatibility issue or any negative effect of E20. These studies have confirmed that even legacy vehicles do not exhibit any significant variations in performance, nor do they show abnormal wear-and-tear when operated with E20 fuel. No issues were reported in parameters such as drivability, startability, metal compatibility, and plastic compatibility. Only in case of certain older vehicles, some rubber parts and gaskets may require replacement earlier than in case non blended fuel was used. This replacement is inexpensive and can be easily managed during routine servicing. It may need to be done once in the life time of the vehicle and is a simple process to be carried out at any authorized workshop.
