GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 2524
ANSWERED ON - 10/08/2026

OFFER OF SUPPLY OF ETHANOL BY AIDA

2524. SHRI GOLLA BABURAO:

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

(a) whether it is a fact that All India Distillers' Association offered to supply more ethanol to blends more than 20 per cent with petrol;

(b) does it mean that Government, if accepted the proposal of AIDA, can move towards increasing ethanol blending in petrol to 25 per cent;

(c) efforts being made to promote ethanol-based cook stoves for domestic and commercial use;

(d) whether Government is exploring blending ethanol in diesel as well to contain costs; and

(e) steps being taken to permit more and more dedicated distilleries to produce ethanol?

ANSWER

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

(SHRI SURESH GOPI)

(a) & (b): Public Sector Oil Marketing Companies (OMCs) float ethanol procurement tenders seeking quantity bids for an ethanol supply year (ESY) from their registered ethanol producers. To achieve 20 percent ethanol blending in petrol, the first tender cycle for procuring around 1050 crore litres of ethanol was floated during September 2025 against which offers of nearly 1760 crore litres (i.e. 68% higher) were received. OMCs have since allocated 1048.5 crore litre to 378 registered suppliers of ethanol, to be supplied during all the quarters of ESY 2025-26. The All India Distillers' Association (AIDA) is not a registered supplier of ethanol.

So far, no decision has been taken by the Government for increasing ethanol blending with petrol beyond 20%. Any future decision regarding higher ethanol blends will be taken only after detailed scientific and technical studies and consultations with all relevant stakeholders, including automobile manufacturers, Oil Marketing Companies and research institutions.

(c): The use of ethanol as a cooking fuel may emerge as the potential biofuel alternative to fossil fuel based cooking solution which may help in reduction of LPG import dependence and provide clean cooking solution. This may also enable effective utilization of surplus ethanol production capacity in the country. Considering the strategic importance of the subject, the LPG Equipment Research Centre (LERC), a Joint Undertaking of Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL) & Bharat Petroleum Corporation Limited (BPCL), along with Public Sector Undertaking (PSU) Oil Marketing Companies (OMCs) has undertaken development efforts towards clean cooking alternatives based on ethanol. The initiative is aligned with the Government's broader objective of promoting cleaner and alternative cooking fuel options.

(d): Yes. Scientific evaluations on blending of ethanol with diesel have been undertaken by Public Sector Oil Marketing Companies (OMCs) through their respective R&D centres in collaboration with accredited laboratories and automobile manufacturers. It was observed that ethanol blended diesel was not meeting diesel flash point as its flash point lowered drastically due to the presence of ethanol.

(e): In order to support the production of ethanol across the country, the Government have taken several steps which *inter-alia* includes 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 etc.

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