

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION No.940
ANSWERED ON 27/07/2026

EXPANSION OF ETHANOL UTILIZATION BEYOND E20

940. SHRI SANJAY KUMAR JHA:

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

- (a) whether India achieved 20 per cent ethanol blending in petrol in June, 2025, ahead of the 2030 target, with ethanol production capacity expanding to nearly 20 billion litres; and
- (b) if so, since E20 requires about 10–11 billion litres ethanol annually, the strategy that the Ministry has envisaged to utilise the additional production capacity while ensuring that future expansion in the cultivation of feedstocks such as maize and rice remains balanced with the production of pulses and oilseeds, since India continues to import these crops?

ANSWER

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

(SHRI SURESH GOPI)

(a) & (b): Yes. The Ethanol Blended Petrol (EBP) Programme is the outcome of a phased, evidence-based policy spanning more than two decades. India's Ethanol Blended Petrol (EBP) Programme is the culmination of nearly 25 years of sustained policy evolution. Although pilot initiatives began in 2001, progress remained limited for over a decade, with ethanol blending reaching only 1.53% in 2013–14.

Thereafter, the Government undertook a series of policy reforms to build a robust ethanol ecosystem. These included the reintroduction of administered ethanol pricing, notification of the National Policy on Biofuels, 2018, expansion of approved feedstocks, reduction of GST on ethanol for blending from 18% to 5%, implementation of the Ethanol Interest Subvention Scheme, long-term offtake agreements by Oil Marketing Companies, expansion of ethanol storage infrastructure and publication of the NITI Aayog Roadmap for Ethanol Blending in India 2020–25 after extensive consultations with automobile manufacturers, Oil Marketing Companies, testing agencies and other stakeholders. These measures encouraged large-scale investments in ethanol production capacity and supply infrastructure.

As a result, ethanol blending increased from 1.53% in 2013–14 to 10% in ESY 2021–22, 12.06% in ESY 2022–23, 14.60% in ESY 2023–24, 19.20% in ESY 2024–25, and 20% during the ongoing ESY 2025–26, enabling India to achieve the target five years ahead of the original 2030 timeline. The current ethanol production capacity in the country is about 2000 crore litre per annum providing adequate capacity to sustain the EBP Programme and meet future requirements.

The ethanol production capacity created in the country has been planned not only to meet the current requirement of for E20 blending but also to cater to future growth in petrol demand, provide operational flexibility during seasonal variations in feedstock availability and support higher ethanol blends, flex-fuel vehicles and other emerging biofuel applications, as and when approved by the Government.

The Government follows a diversified feedstock strategy under the National Policy on Biofuels. Ethanol is produced from multiple approved feedstocks, including sugarcane-based feedstocks, maize, damaged foodgrains, broken rice, foodgrains unfit for human consumption, surplus foodgrains approved by the National Biofuel Coordination Committee (NBCC) and other approved agricultural feedstocks. The Government is also promoting Second Generation (2G) ethanol from agricultural residues under the Pradhan Mantri JI-VAN Yojana to progressively increase the use of non-food feedstocks.

The diversion of foodgrains for ethanol production is carefully calibrated in consultation with the Department of Food & Public Distribution and other concerned Ministries. Food security, Public Distribution System (PDS) requirements, National Food Security Act (NFSA) obligations, Other Welfare Schemes (OWS) and prescribed buffer stocks are accorded the highest priority. Only surplus foodgrains, after meeting these requirements, are permitted for ethanol production. The Government is also promoting crop diversification towards comparatively less water-intensive feedstocks such as maize and encouraging sustainable agricultural practices so that expansion of ethanol feedstocks remains balanced with the production of pulses, oilseeds and other essential food crops.
