

LOK SABHA
UNSTARRED QUESTION No. 4642
TO BE ANSWERED ON 21st August, 2025

ETHANOL BLENDING

4642. THIRU D M KATHIR ANAND:
DR. MALLU RAVI:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the current status of the India's ethanol blending roadmap and the targets achieved till June 2025;
- (b) the measures being taken by the Government to accelerate the development of Compressed Bio Gas (CBG) plants to ensure cleaner fuel alternatives;
- (c) whether the Government is promoting small-scale ethanol production units linked to sugarcane, tapioca and fruit-processing industries in Tamil Nadu and if so, the details thereof; and
- (d) whether any such unit is proposed in North Arcot region for farmer benefit and local employment and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्यमंत्री
(श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI SURESH GOPI)

(a): The Roadmap for Ethanol Blending in India 2020-25, prepared by an inter-Ministerial Committee, provides guidance to achieve 20% blending in petrol by Ethanol Supply Year (ESY) 2025-26. 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 ESY 2025-26. 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. Further, for the ongoing ESY 2024-25, the blending percentage has gone up to 19.05% as on 31.07.2025. During the month of July, 2025, Ethanol blending of 19.93% has been achieved.

(b): Government has taken various steps to promote the establishment of CBG projects across the country. These steps include assured price for off-take of CBG through long term agreements with Oil and Gas Marketing Companies. The Umbrella Scheme of National Bio Energy Programme *inter-alia* provides Central Financial Assistance to all kind of CBG/biogas plants; additional Central Assistance for Municipal Solid Waste-based CBG projects under Swachh Bharat Mission Urban 2.0; the inclusion of bio-manure produced from CBG plants as Fermented Organic Manure (FOM) and Liquid Fermented Organic Manure (LFOM) under Fertilizer Control Order 1985; Market Development Assistance to promote Organic Fertilizer produced from CBG projects; the inclusion of CBG projects under 'White Category' on case to case basis; the inclusion of CBG projects under Priority Sector Lending; loan products from various Banks for financing of CBG projects; etc.

Additional initiatives such as guidelines for synchronization of CBG with CNG in CGD Network; a scheme for the development of pipeline infrastructure (DPI) for injection of CBG into the City Gas Distribution (CGD) network; and phase wise mandatory selling of CBG in CNG (T) and PNG (D) segment of CGD network have also been initiated by the Government.

(c) & (d): The National Policy on Biofuels-2018, as amended in 2022, has identified various feedstocks for biofuels production, these *inter-alia* include C & B - Heavy Molasses, sugarcane juice, sugar, sugar syrup, biomass in form of grasses, agriculture residues (rice straw, cotton stalk, corn cobs, saw dust, bagasse etc.), sugar containing materials like sugar beet, sweet sorghum, etc. and starch containing materials such as corn, cassava, rotten potatoes, agro food / pulp industry waste, etc. Further, National Biofuel Coordination Committee (NBCC) formed under the National Policy on Biofuels - 2018 has also identified other feedstock such as fruit and vegetable wastes and Residual sugar/sugar syrup / sweeteners (beverages, juices etc.) post Best Before Date (BBD) products for ethanol production.

In order to support the production of ethanol across the country including Tamil Nadu and its North Arcot region the Government have taken several steps to promote ethanol production in India 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, 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.
