

LOK SABHA
UNSTARRED QUESTION No. 3215
TO BE ANSWERED ON 18th December, 2025

ETHANOL BLENDING IN PETROL

3215. DR. LATA WANKHEDE:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the manner in which the progress has been made towards meeting the target of twenty per cent ethanol blending in petrol ahead of the original 2030 timeline;
- (b) the steps taken and incentives proposed to promote ethanol production and supply under the Ethanol Blended Petrol (EBP) Programme;
- (c) the manner in which cooperative sugar mills and advanced biofuel projects are supported under schemes such as the PM JI-VAN Yojana; and
- (d) the details of the infrastructure and logistical measures being taken to enhance ethanol availability across the country?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री सुरेश गोपी)

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

(a) : 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) to (d): 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, multimodal transportation of ethanol and increasing ethanol storage capacity along with other allied infrastructure for handling of higher blends of ethanol.

Further, the Government had notified the “Pradhan Mantri JI-VAN (Jaiv Indhan- Vatavaran Anukool fasal awashesh Nivaran) Yojana 2019”, amended in 2024, with the objectives to establish advanced biofuels including Sustainable Aviation Fuel projects in the country using lignocellulosic biomass and other renewable feedstocks. Under this scheme, 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.
