

LOK SABHA
UNSTARRED QUESTION No.3348
TO BE ANSWERED ON 12th March, 2026

AMENDMENTS TO BIOFUEL POLICY

3348. SHRI ATUL GARG:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the key amendments made to the National Policy on Biofuels, 2018, in 2022 and their impact on biofuel production;
- (b) the various feedstocks identified for biofuel production and the manner in which they contribute to sustainability and energy security;
- (c) the specific measures taken by the Government to incentivize biodiesel production, including tax benefits and blending targets;
- (d) the amendments made to the Pradhan Mantri JI-VAN Yojana for supporting advanced biofuel projects; and
- (e) the Government's long-term vision for increasing biofuel adoption and reducing dependence on fossil fuels?

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 Government had notified the National Policy on Biofuels (NPB) - 2018 which has been further amended in 2022. The following are the key amendments in the NPB:

- i. to allow more feed-stocks for production of biofuels,
- ii. to advance the ethanol blending target of 20% blending of ethanol in petrol to Ethanol Supply Year (ESY) 2025-26 from 2030,
- iii. to promote the production of biofuels in the country, under the Make in India program, by units located in Special Economic Zones (SEZ)/ Export Oriented Units (EoUs),
- iv. to add new members to the National Biofuel Coordination Committee (NBCC),
- v. to grant permission for export of biofuels in specific cases, and
- vi. to delete/amend certain phrases in the Policy in line with decisions taken during the meetings of National Biofuel Coordination Committee.

These amendments have enabled Public Sector Oil Marketing Companies (OMCs) to achieve ethanol blending target of successive years, with record blending of more than 1000 crore litres in the last ESY 2024-25. Public Sector OMCs have commenced blending 20% ethanol with petrol in the current ESY 2025-26 starting November 2025.

(b): The National Policy on Biofuels has identified various feed-stocks for biofuel production which, *inter-alia*, includes damaged food grains like broken rice, food grains unfit for human consumption, food grains during surplus phase as declared by the National Biofuel Coordination Committee (NBCC), and agriculture residues (Rice straw, cotton stalk, corn cobs, saw dust, bagasse etc.). This Policy also promotes and encourages use of feedstock such as corn, cassava, rotten potatoes, maize, sugarcane juice & molasses etc.

Feed-stock diversification has supported the environmental sustainability efforts of the Government. It reduces dependence on crude oil imports while saving foreign exchange and promotes the domestic agriculture sector. So far, from ESY 2014-15 up to February 2026, Ethanol Blended Petrol (EBP) Programme has resulted in net CO₂ reduction of approximately 869 lakh metric tonne and substitution of more than 289 lakh metric tonnes of crude oil.

(c): Government has taken several measures for promotion of biodiesel production to achieve the indicative target of blending 5% biodiesel in diesel/direct sale of biodiesel by the year 2030, which *inter-alia* include prescribing indicative target of blending of biodiesel in diesel / direct sale of biodiesel under the National Policy on Biofuels, notifying of "Guidelines for sale of biodiesel for blending with high speed diesel for transportation purposes-2019", reduction of GST rate for procurement of biodiesel for blending programme from 12% to 5%, etc.

(d): Government had notified the "Pradhan Mantri JI-VAN (Jaiv Indhan - Vatavaran Anukool fasal awashesh Nivaran) Yojana" for providing financial support for setting up Second Generation (2G) ethanol projects in the country using lignocellulosic biomass and other renewable feedstock. The scheme was amended in August 2024 for expanding eligibility to cover "bolt-on" plants and "brownfield projects", replacing "2G ethanol" with "Advanced Biofuels" and to extend the timelines of the scheme by five years i.e., from 2023-24 to 2028-29.

(e): The Policy aims to increase usage of biofuels in the energy and transportation sectors of the country during the coming decade. The Policy aims to utilize, develop and promote domestic feedstock and its utilization for production of biofuels thereby increasingly substitute fossil fuels while contributing to National Energy Security, Climate Change mitigation, apart from creating new employment opportunities in a sustainable way. Simultaneously, the policy also encourage the application of advance technologies for generation of biofuels.
