

LOK SABHA
STARRED QUESTION No. *404
TO BE ANSWERED ON 21st August, 2025

PROMOTION OF BIOFUEL BLENDING

*404. SHRI DHARAMBIR SINGH

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government is promoting biofuel blending of petrol and diesel and if so, the details thereof;
- (b) the details of support to biofuel producing units across the country along with the steps taken/to be taken by the Government to involve farmers in biofuel supply chains;
- (c) whether the Government has any plans to encourage the use of crop residue for biofuel and if so, the details thereof; and
- (d) whether such initiatives are likely to be introduced in Bhiwani-Mahendragarh Lok Sabha Constituency and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री हरदीप सिंह पुरी)

MINISTER OF PETROLEUM & NATURAL GAS
(SHRI HARDEEP SINGH PURI)

(a) to (d): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF THE LOK SABHA
STARRED QUESTION NO. *404 TO BE ANSWERED ON 21.08.2025 REGARDING
'PROMOTION OF BIOFUEL BLENDING'.**

(a) to (d): The promotion of use of biofuels as a suitable alternative to petroleum products has been done through the National Policy on Biofuels.

Government has been promoting the blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme with multiple objectives. As a green fuel, ethanol supports environmental sustainability efforts of the Government. It reduces dependence on crude oil imports while saving foreign exchange and promotes the domestic agriculture sector. EBP Programme has resulted in expeditious payment to farmers of more than Rs.1,25,000 crore from Ethanol Supply Year (ESY) 2014-15 up to July 2025, besides savings of more than Rs.1,44,000 crore of foreign exchange, net CO2 reduction of about 736 lakh metric tonnes and substitution of more than 244 lakh metric tonnes of crude oil. Under the EBP Programme, 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.

In order to support the production of ethanol across the country including Bhiwani - Mahendergarh Lok Sabha Constituency, the 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, Long Term Offtake Agreements (LTOAs) between OMCs and Dedicated Ethanol Plants, 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.

To further facilitate ethanol production, Government have notified the "Pradhan Mantri JI-VAN (Jaiv Indhan- Vatavaran Anukool Fasal Awashesh Nivaran) Yojana" in 2019, amended in 2024, with the objectives to establish advanced biofuels projects in the country using lignocellulosic biomass and other renewable feedstocks including crop residue, provide remunerative income to farmers for their otherwise waste agriculture residues, create rural and urban employment opportunities, address concerns of environmental pollution caused by burning of biomass/agriculture residue, reduce soil and water pollution from municipal solid waste, contribute to Swachh Bharat Mission, help in meeting the target envisaged in Ethanol Blended Petrol (EBP) programme, reduce dependence on crude oil import, etc. The total financial outlay for PM JI-VAN is Rs. 1,969.50 crore, of which Rs. 1,800 crore is allocated for commercial-scale advanced biofuel projects and Rs. 150 crore for demonstration-scale advanced biofuel projects.

Government have also taken several measures to support use of biodiesel, 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.
