

LOK SABHA
UNSTARRED QUESTION No. 700
TO BE ANSWERED ON 23rd July, 2026

ETHANOL-BLENDING AND CONSUMER CHOICE

700. SHRI CHARANJIT SINGH CHANNI:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the extent of savings in crude oil import expenditure achieved as a result of the Ethanol Blended Petrol (EBP) Programme during the last five years, year-wise;
- (b) whether the Government has assessed the impact of ethanol blending on the retail price of petrol and the extent to which the resulting economic benefits have been passed on to consumers, if so, the details thereof;
- (c) whether it is a fact that despite increased ethanol blending and reduced dependence on imported crude oil, consumers have not witnessed a corresponding reduction in petrol prices, if so, the details thereof;
- (d) whether consumers are presently provided the option to purchase non-ethanol-blended petrol alongside ethanol-blended petrol at retail outlets, if so, the details thereof; and
- (e) if not, the reasons therefor and whether the Government proposes to provide consumers the freedom to choose between blended and non-blended petrol in the interest of the consumer rights and informed choice, if so, the details thereof?

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 estimated extent of crude oil substitution achieved as a result of the Ethanol Blended Petrol (EBP) Programme during the last five years, year-wise is tabulated below:

Ethanol Supply Year (ESY)	Savings in Foreign Exchange due to crude oil import reduction (Rs. Crore)
2021-22	23,194.6
2022-23	24,368.5
2023-24	32,832.6
2024-25	43,307.6
2025-26 (Upto 30.06.2026)	42,194.3

(b) & (c) : For the Ethanol Supply Year 2024-25, the average procurement cost of ethanol stands at Rs. 71.55 per litre (inclusive of transportation and GST), which was higher than the cost of refined petrol.

The OMCs purchase ethanol under the EBP Programme at remunerative prices so that farmers are fairly compensated. For instance, Maize based ethanol prices have increased progressively and its current procurement price is Rs 71.86/litre (exclusive Transportation and GST). Therefore, if international crude price remains at around US \$70 per barrel, ethanol becomes costlier than pure petrol. India has managed to protect consumers from full impact of volatile global crude oil prices, as nearly 20% of every litre of petrol sold consists of domestically produced ethanol.

This is one of the principal reasons that, despite unprecedented global disruptions, India witnessed one of the most moderated increases in retail fuel prices among major economies and its neighbouring countries over the years:

Country	Petrol (June-22) (Rs per Ltr)	Petrol (June-26) (Rs per Ltr)	% increase
Pakistan	92.64	129.48	39.77
Sri-Lanka	90.43	123.59	36.66
Nepal	113.99	137.19	20.35
Bangladesh	76.97	109.82	42.69
Italy	166.85	197.52	18.39
Germany	163.18	194.26	19.05
France	174.18	205.08	17.74
India (Delhi)	96.72	102.12	5.58

Ethanol blending is therefore not about making petrol cheaper. It is about reducing India's exposure to vagaries of imported crude oil.

(d) & (e): In accordance with the Government's policy for implementation of the Ethanol Blended Petrol (EBP) Programme, both Public and Private Oil Marketing Companies have been directed to supply Ethanol Blended Motor Spirit containing up to 20% ethanol, conforming to the relevant Bureau of Indian Standards (BIS) specifications, across all States and Union Territories.

Further, with effect from 1 April 2026, Ethanol Blended Motor Spirit with a minimum Research Octane Number (RON) of 95 has been notified under the relevant statutory provisions.

The Government's policy is to progressively transition towards cleaner, more efficient and environmentally sustainable fuels in line with the National Policy on Biofuels and India's energy security and emission reduction objectives.

Automobile manufacturers, component suppliers, SIAM, ARAI, testing agencies and Oil Marketing Companies were associated with every stage of the scientific evaluation and phased rollout of E20. E20 was rolled out only after successful validation of fuel systems, engine durability, drivability, reasonable material compatibility and emissions performance.

These studies also established that legacy vehicles do not exhibit any significant variation in performance or abnormal wear and tear due to E20. Had automobile manufacturers not been fully satisfied with the results, they would neither have validated E20 fuel for older vehicles nor honoured warranty obligations.

The Government's assessment is based not only on laboratory research but also on large-scale experience after nationwide implementation. India witnesses approximately 8 crore vehicles visiting retail outlets every day (around 80% petrol vehicles).

E15+ blended petrol has been in widespread use for over three-and-a-half years and E19-E20 fuel for over two-and-a-half years. More than 20 crore two-wheelers and over 3 crore petrol cars have been operating on these blends without any verified evidence of widespread engine failure or vehicle breakdown attributable to ethanol blending. Manufacturer service data confirm that there is no abnormal corrosion, wear or reduction in vehicle life due to E20 fuel. Manufacturers continue to honour warranty obligations for vehicles using E20 fuel, providing further confidence in its safety and reliability.

A leading OEM serviced 2.84 crore vehicles during FY 2025-26, including approximately 1.5 crore vehicles that were not originally certified as E20-compatible, and reported no E20-linked corrosion, abnormal wear or reduction in component life. A leading 2-wheeler company has reported similar field experience. One OEM recently stated that data from 1.4 crore E20-operated vehicles tracked over an extended period showed no evidence of ethanol-induced corrosion. ARAI reaffirmed that vehicles undergo rigorous international-standard validation before reaching consumers.

The transition to E20 has been phased, consultative and scientifically validated, following extensive consultations with automobile manufacturers, ARAI, SIAM, Oil Marketing Companies and other stakeholders. Material compatibility, engine durability, fuel systems, drivability, emissions and performance were comprehensively evaluated before rollout.

Having been scientifically validated and accepted by the automobile industry after extensive testing, there is no proposal to revert to E0/E10 petrol. The objective of public policy is to move forward with a superior fuel, not return to an inferior standard.

Maintaining parallel nationwide supply chains for E0, E10 and E20 petrol across more than one lakh retail outlets would significantly increase logistics complexity, inventory and handling costs. Public policy must balance consumer convenience with energy security, environmental sustainability and farmer welfare.

Once a cleaner and scientifically validated fuel has been adopted, the objective is to move forward with better technology, not revert to an inferior standard.
