

GEMA/2025-26/623

Date: 25<sup>th</sup> July 2025

To,

**Smt. Kanimozhi Karunanidhi Ji**

Chairperson

Committee on Consumer Affairs, Food and Public Distribution

**Subject:** *Strategic Roadmap Beyond 20% Ethanol Blending*

Respected Hon'ble Chairperson,

Namaskar,

On behalf of the Grain Ethanol Manufacturers Association (GEMA), we extend our deepest gratitude and heartfelt congratulations for the Hon'ble Prime Minister's visionary leadership in achieving 20% ethanol blending in petrol — a historic and globally unparalleled milestone, realized within a remarkably short span of five years.

The Hon'ble Prime Minister's global initiative to launch the Biofuels Alliance during the G20 Summit has already begun to take shape and is inspiring international collaboration in the development of sustainable fuels. Under this national vision, India's ethanol production capacity has grown exponentially to nearly 1,800 crore litres per annum — catalysing private investment, empowering farmers, generating rural employment, reducing pollution, and saving valuable foreign exchange.

However, in the absence of a forward-looking roadmap beyond the 20% blending target, this built-up capacity risks remaining underutilized. As against the current annual requirement of 1,000–1,100 crore litres for 20% blending, the nation now has the capability to produce 1,800 crore litres per annum.

We respectfully submit the following strategic suggestions to help shape the roadmap beyond 20% blending:

- Enhance the national blending target progressively to 25–30% to serve as base petrol.
- Promote Flex-Fuel Vehicles (FFVs), especially 2- and 3-wheelers, by offering tax incentives to encourage their adoption, enabling higher ethanol consumption beyond the base blend (as followed in Brazil, where 27% ethanol base petrol coexists with E-80 and E-100 options, resulting into additional 20-25% replacement of petrol by Ethanol.)
- Facilitate the retail dispensing of E-80 and E-100 fuels at concessional VAT and duties, making them cost-effective for consumers using FFVs.

- Explore the use of ethanol in diesel blending as an emerging clean transport alternative.
- Expand ethanol storage, handling, and unloading infrastructure by mandating OMCs to scale up nationwide logistics and supply chain capacities.
- Ensure equitable ethanol procurement by allowing plants supported under EBPP, but without Long-Term Offtake Agreements (LTOAs), to also supply ethanol — thus protecting viability and inclusivity within the industry.

We believe the Parliamentary Standing Committee under your esteemed leadership plays a vital role in shaping forward-looking policies that secure farmer welfare, promote sustainable rural industries, and ensure inclusive growth across the grain ethanol sector.

We would be honoured to have the opportunity to present these matters in person before the Committee or through a special hearing, and we respectfully seek an audience at your convenience.

With utmost respect and sincere regards,

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chandra Kumar Jain', is written over a light blue horizontal line.

Dr. Chandra Kumar Jain  
President