

गेल को मिले नए वित्त निदेशक

नई दिल्ली में एस.के. सिन्हा ने गेल
(इंडिया) लिमिटेड के निदेशक



(वित्त) का पदभार
ग्रहण किया। इससे
पहले वे कार्यकारी
निदेशक के रूप में
सेवाएं दे चुके हैं।

तीन दशक से अधिक के अनुभव
वाले एस.के. सिन्हा कॉर्पोरेट वित्त,
निवेशक संबंध, डिजिटल परिवर्तन
और रणनीतिक वित्तीय प्रबंधन में
विशेषज्ञ हैं। उनके नेतृत्व से कंपनी
की वित्तीय मजबूती को नई गति
मिलने की उम्मीद है।

What does the lifting of gas curbs mean?

What led to the lifting of restrictions on energy supply imposed following the West Asia crisis?

Debayan Tewari

The story so far:

On July 4, 2026, the government lifted emergency curbs it had imposed on the supply of natural gas during the West Asia crisis in March. It cited “ceasefire and negotiations” and the resumption of “sea traffic through the Strait of Hormuz” to restore gas supplies to fertilizer plants, refineries, distributors and industrial users. The Petroleum and Natural Gas Ministry, in a notification, amended the Natural Gas (Supply Regulation) Order, 2026, and omitted provisions that had prioritised sale of domestically produced natural gas and imported Liquefied Natural Gas (LNG) as per a priority list released by the government during the U.S.-Israel war on Iran.

On March 12, Union Minister for Petroleum and Natural Gas Hardeep Singh Puri told Parliament about the “immediate priority sequence”.

“Domestic piped gas to homes and CNG for vehicles receive 100% supply with no cuts. Industrial and manufacturing consumers will receive up to 80% of their previous six-month average. Fertilizer plants will receive up to 70%, protecting the agricultural input chain ahead of the sowing season. Refineries and petrochemical units absorb a managed reduction, with that gas redirected to higher-priority sectors,” he had said.

Which sectors will benefit?

The latest measure follows a series of steps the government has taken to ease the supply of gas in the wake of an improved supply situation. On June 25, it restored the supply of industrial and commercial LPG to the pre-West Asia crisis levels.

The move is expected to benefit the refineries, city gas distributors, and industries such as ceramic. These sectors need reliable supply of natural gas at affordable rates.

According to Prashant Vasisht, senior vice-president at ratings agency ICRA, the biggest beneficiaries of this move will be the industrial and commercial users of natural gas. He said the supplies to fertilizer units and domestic users were all but normalised.

“The emergency measures had affected supplies of city gas distributors to their industrial and commercial clients. There were industries which did not get even alternate fuel to carry out operations. Hotels, for instance, had to stop making items that consumed more fuel,” he said.

Gas supplies to ceramic, power, sponge iron and petrochem sectors were curtailed. “So, factories that were operating in reduced capacity can now ramp up their capacities as and when the fuel supplies come in,” he said.

When the West Asia crisis peaked in March, ceramic manufacturing units based in Gujarat’s Morbi bore the brunt with reports indicating that 600 factories

and 4 lakh workers were affected amid a shortage of propane and natural gas, both used in the production of ceramic.

Which sector uses LNG the most?

Fertilizer plants are known to consume a bulk of India’s LNG. In an earlier interaction with *The Hindu* in March, Mr. Vasisht had said, “A little less than 30% of natural gas use goes into making fertilizers, while power plants account for 13% and city gas distribution 21%.”

Urea, which has around 46% of nitrogen, is the most common nitrogen fertilizer. It is produced by converting natural gas (methane) into ammonia and then combining it with carbon dioxide. The energy-dependent process, hence, makes LNG a crucial ingredient of the product.

What should be the next step?

India has been diversifying its energy sources. As Mr. Puri put it in a recent blog post, “The widening of our crude basket from 27 countries to 41, the doubling of our import terminals, and the pipelines and reserves built across a decade under Prime Minister Modi were not abstractions when the Strait finally closed; they were the very reason the lights stayed on.”

The road ahead now is one of capacity building. As Mr. Puri wrote, “Learning from this experience, we will build additional capabilities to strengthen our energy resilience...”

THE GIST

On July 4, 2026, the government lifted emergency curbs it had imposed on the supply of natural gas during the West Asia crisis, citing “ceasefire and negotiations” and the resumption of “sea traffic through the Strait of Hormuz”.

The move is expected to benefit refineries, city gas distributors and industries such as ceramics, which need a reliable supply of natural gas at affordable rates.

Brent takes top spot in India crude basket

Rituraj Baruah

rituraj.baruah@livemint.com

NEW DELHI

India has flipped the composition of its official crude basket after disruptions to West Asian oil supplies during the Iran conflict reshaped its crude import mix, giving Brent-linked crude a higher weight than Dubai-Oman sour crude for the first time in the available PPAC data series since 2001.

The share of Dubai-Oman sour crude in the Indian crude basket has been cut to 20.60%, the lowest since comparable data became available in 2001, according to data from the Petroleum Planning and Analysis Cell (PPAC). Brent-linked sweet crude now accounts for 79.40% of the basket, up from 71.02% in June, 70% in May and 61.02% in April, according to PPAC data.

West Asia's share in India's crude imports fell to around 22% in June, according to Kpler data, from 60-70% before the Iran conflict erupted on 28 February, as refiners replaced disrupted West Asian supplies with Russian, US, Venezuelan and West African barrels.



The share of Dubai-Oman sour crude in the Indian crude basket has been cut to 20.60%, the lowest since 2001.

AFF

The Indian crude basket is a pricing benchmark that reflects refiners' crude procurement costs. Although India imports oil from about 41 countries, the basket comprises only the globally traded Brent and Dubai-Oman benchmarks. Russian crude—the country's largest import source—is excluded because it is not exchange traded. The basket is typically reweighted annually based on the previ-

ous year's import pattern and does not materially affect fuel pricing or supply contracts.

Before the Iran conflict, Dubai-Oman crude accounted for roughly 70% of the basket. The latest revision reflects refiners' growing reliance on Russian, Venezuelan and West African barrels after disruptions

to West Asian supplies following the closure of the Strait of Hormuz amid the US-Iran war.

The change comes as Gulf

Brent-linked crude accounted for 79.4% of India's official crude basket, overtaking Dubai-Oman sour crude

producers face stiffer competition in Asia.

A recent HSBC report said Asian buyers, particularly India, Japan and South Korea, have sharply increased purchases from the US Gulf Coast and other Atlantic Basin producers, including South America, as substitutes for disrupted West Asian supplies.

Mint earlier reported, citing Kpler data, that India's Russian crude imports averaged 2.66 million barrels a day during 1-19 June, accounting for roughly half of the country's total crude imports during the period.

Russia's share rose to 51%, while imports from West Africa and South America have also witnessed an increase, offsetting the decline in West Asian supplies. "After a dip in March, Indian crude imports have broadly returned to pre-conflict levels as refiners replaced Middle East (West Asia) supplies with alternatives from Russia, the US, Oman, West Africa and South America. Russian oil is trading at a small discount to Brent, making it attractive to Indian refiners," the HSBC report said.

For an extended version of this story, go to livemint.com.

OPINION

India's energy stress test: How agile policy kept the economy moving



VANDANA HARI

India may not have escaped the US-Iran war unscathed, but it managed one of the most severe energy shocks in its modern history far better than many would have expected.

When the Strait of Hormuz effectively closed in late February, the country faced an immediate threat to its energy supplies, especially crude oil and liquefied petroleum gas (LPG). Yet four months later, there were no fuel shortages, LPG distribution continued uninterrupted, refineries largely maintained operations and the shock was largely prevented from feeding through into broader inflation and economic activity.

That was no small achievement. India imports nearly 90 per cent of its crude oil and around 60 per cent of its LPG, much of it normally arriving from the Gulf. The war disruption therefore threatened not only physical supply, but also inflation, industrial production and public confidence.

India's response demonstrated that modern energy security rests on multiple layers of resilience. Strategic petroleum reserves remain an indispensable first line of defence, but this crisis showed they must be complemented by diversified procurement, commercial inventories, flexible refining systems, effective energy diplomacy and the ability of government and industry to respond swiftly and in concert.

India's strategic reserve, while invaluable, remains modest by international standards. But substantial commercial inventories held by refiners bought precious time while replacement cargoes were secured and trade flows reconfigured. Refiners collectively held around 190 million barrels of commercial reserves — crude, LPG, gasoline, diesel and jet fuel — when the war began, or nearly 35 days' worth of national consumption.

Years of crude supply diversification proved another critical pillar of support. Indian refiners have steadily invested in infrastructure to expand the range of grades they can process, enabling them to substitute supplies from different regions far more readily than in the past. India now

imports crude from at least 41 countries, up from 27 just 12 years ago.

Relatively small producers and only occasional suppliers to India — including Congo-Brazzaville, Colombia, Azerbaijan, Egypt, Gabon, Sudan and Cameroon — were tapped for cargoes, while imports from the US also increased, as Washington encouraged higher exports to help offset the loss of West Asian supply.

With several Asian importers scouting for replacement supplies, speedy outreach and quick procurement decisions were critical. That necessitated unprecedented coordination between the public sector undertakings, private refiners and the government, supported by continuous monitoring of inventories, shipping schedules and refinery requirements.

India's overall crude import arrivals dipped slightly to around 4.7-4.8 million barrels per day (bpd) through March and April from an average of 5.3 million bpd over January-March but bounced back above 5 million bpd through May and June, shipping data shows.

Russia became the anchor supplier in June, with arrivals climbing to around 2.56 million bpd, accounting for just over half of India's crude imports during the month. LPG or cooking gas was the country's most immediate vulnerability. Rather than relying solely on expensive replacement imports, refinery operations were quickly reconfigured to maximise domestic production.

Within days of the outbreak of the war, refineries were instructed to maximise LPG production by redirecting propane, butane and associated hydrocarbon streams. That boosted daily domestic production from roughly 35,000 mt to around 54,000 mt within a week, substantially reducing import requirements. Some refineries that had never previously produced LPG were reconfigured to do so.

That operational flexibility may have been one of the most consequential decisions taken during the crisis, helping reduce exposure to an increasingly stressed international LPG market.

New Delhi also pursued quiet energy diplomacy with Tehran to secure the safe passage of Indian-flagged LPG tankers through the Strait of Hormuz. At least 10 Indian-flagged vessels — nine carrying LPG and one crude — completed the transit between March and May after coordination with the Iranian authorities even as commercial traffic remained heavily restricted. Those cargoes helped bridge one of the most vulnerable phases of the crisis until domestic production increased and replacement imports from outside the Gulf could take up the slack.

Demand management reinforced supply-side measures. Where pipeline infrastructure existed, consumers were encouraged to switch to piped natural gas, easing pressure on LPG demand, while commercial LPG allocations were temporarily adjusted to prioritise household consumption. Securing supplies, however, was only half the battle. Preventing the inevitable spike in international energy prices from feeding through into the wider economy was just as important.

The government's decision to cushion retail fuel prices has inevitably attracted debate over the fiscal cost. Viewed narrowly, absorbing under-recoveries through oil marketing companies and excise duty reductions appears expensive. Seen through a macroeconomic lens, however, the calculation looks rather different.

Sharp increases in diesel and LPG prices would almost certainly have fed rapidly into freight costs, food inflation, manufacturing input prices and broader inflation expectations. In an economy growing strongly while continuing post-pandemic fiscal consolidation, the objective was not simply to shield consumers, but to preserve economic stability.

If there is one lesson from the US-Iran war, it is that resilience is built in layers.

Commercial inventories performed exceptionally well during this crisis, but they need to be backed up by government-controlled emergency stocks. The successive geopolitical disruptions of recent years have already given an impetus to government plans to expand emergency stockpiles, and this momentum should be maintained.

A phase 2 expansion, already approved, will add 6.5 million mt or about 47.5 million barrels to the existing 5.33 million mt capacity in strategic reserves, while feasibility work has begun on three additional projects. The broader objective is to move towards 90 days' worth of net import cover in strategic and commercial inventories, the benchmark used by the International Energy Agency.

A bigger strategic oil buffer would give policymakers greater flexibility during future disruptions, reduce pressure on commercial operators and strengthen New Delhi's bargaining position during periods of extreme market stress. That would complete a strategy whose success lay not in any single measure, but in the combination of long-term preparedness and adaptive crisis management.

The writer is an energy markets analyst with more than three decades of experience, and founder of Vanda Insights, a Singapore-based provider of global oil markets macro-analysis



S DINAKAR
Hyderabad, 7 July

The war in West Asia has turned out to be a wake-up call for India's natural gas ambitions, according to industry watchers. That LNG (liquefied natural gas) became the country's most reliable and relatively affordable fuel amid the war explains that thesis. Despite Qatar, the world's second biggest LNG producer and India's biggest supplier, imposing a force majeure in March — soon after the US and Israel attacked Iran—there was no natural gas crisis.

Senior industry officials say that New Delhi is ignoring a cleaner burning fuel, which offered more supply security during the war compared to crude oil and LPG.

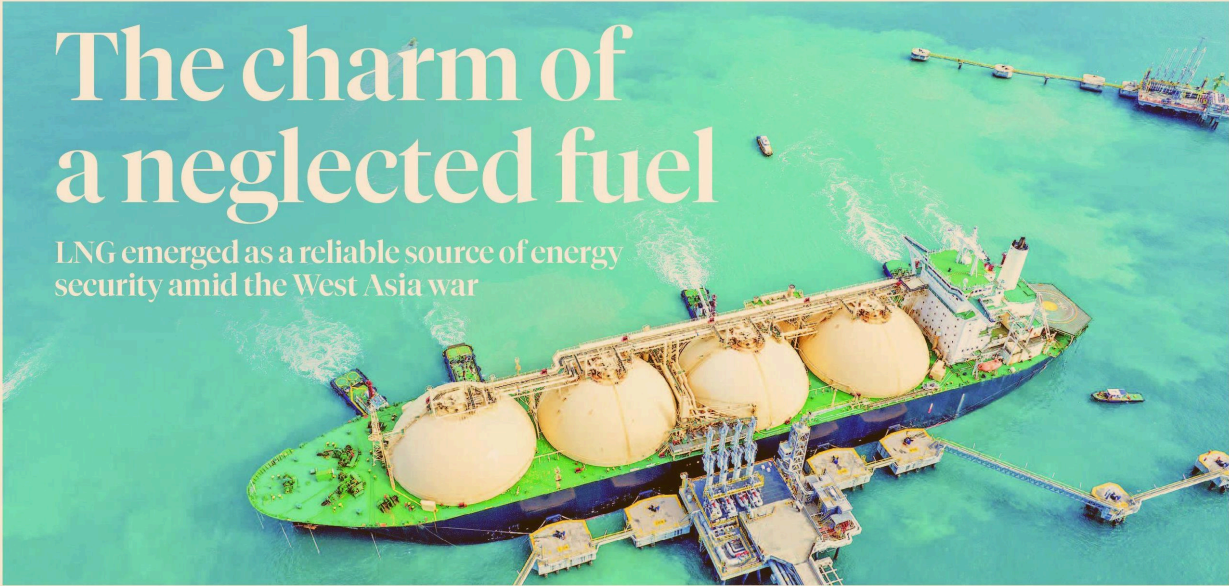
India's LNG imports averaged 2.2 million tonnes monthly in the three months to June from over nine countries amid the closure of the Strait of Hormuz, higher than average monthly fuel imports in pre-war calendar 2025 of around 2 million tonnes, calculations based on Kpler data show. June receipts at 2.5 million tonnes were the second highest since August 2024.

In 2025, around 10 countries supplied 25 million tonnes of LNG, with Qatar alone contributing 46 per cent of the fuel. On including supplies from UAE and Oman, the share of West Asian LNG via the Hormuz, surged to 67 per cent, Kpler said.

"Qatar's key LNG production hub, Ras Laffan, produces roughly 80 million tonnes of LNG annually, and disruptions affecting nearly 15-16 million tonnes of supply have had a meaningful impact on global LNG availability and, consequently, on India," said Kaustubh Verma, managing director and partner, BCG India. "India should strengthen engagement with other major LNG-exporting regions such as Australia, the United States, and North African producers to reduce over-dependence on a single geography."

While Hormuz remained essentially closed through May, new LNG supply offset 90 per cent of the decline in Qatari and Emirati LNG. "LNG supply from the Gulf (of Hormuz) declined by around 9 billion cubic metres in May, and while this unprecedented supply disruption is profoundly altering short-term market dynamics, new LNG supply from other producers is providing some buffer," explained Greg Molnar, gas analyst at the International Energy Agency, in a LinkedIn post. "This also shows the strength of the unfolding LNG wave which will take full effect once Hormuz reopens."

The import story
Despite being the least pampered fuel,



The charm of a neglected fuel

LNG emerged as a reliable source of energy security amid the West Asia war

LNG's appeal compared to crude oil and LPG stands out. After importing over 2 million tonnes a month of LPG, an equal blend of propane and butane, since September 2025—close to 90 per cent from West Asia—India's import of the fuel crashed by more than half in April. It averaged at just 1.2 million tonnes in the April-June period. The drop resulted in some 800 units getting shut in Morbi, a global ceramic tile hub running on cheap LPG. Most units bounced back only after Gujarat Gas resumed supplies of LNG, albeit at a premium to pre-war rates.

Crude oil imports have also suffered. West Asia made up over half of India's crude oil imports, supplying medium, sour crude grades, aligned with Indian refinery configurations. While refiners imported 5 million barrels a day of crude oil in June, exceeding pre-war levels, from alternative sources, refining officials said they could not secure similar grades and had to rely on more expensive, lighter varieties. Also, there was an over-dependence on Russia, a heavily sanctioned nation, which supplied 53 per cent of India's crude imports in June. The US supplied over 60 per cent of India's LPG last month.

But India received LNG from nine suppliers in June, with no single supplier exceeding 20 per cent.

"A significant per cent, 60-70 per cent or more (of crude) is coming from Russia, Venezuela, whereas in gas that's

India's LNG imports (in thousand tonnes)

TOTAL*		2,577	1,907	1,670	1,944	2,205	2,507	583
Year 2026		Jan	Feb	Mar	Apr	May	Jun	Jul 1-6
Oman	222	301	532	585	298	462	155	
Nigeria	280	196	327	481	476	542	144	
United States	138	71	336	277	906	524	71	
Qatar	1,055	746	60	-	-	133	94	
Angola	342	141	208	275	264	340	-	
United Arab Emirates	403	249	131	-	61	245	61	
Trinidad and Tobago	64	-	-	-	139	69	-	
Cameroon	-	-	-	64	-	117	-	

Note: Total also includes imports from Mozambique, Equatorial Guinea, Australia, Norway, Mauritania, Indonesia, Republic of the Congo, and China
Source: Kpler

not the case," said Sanjay Sah, partner at Deloitte. "Gas is more diversified." A surge in demand could lead to a 70 per cent dependence on imported LNG by 2030 from 50 per cent now, Sah said.

Kitchen demand
Besides imports, domestic output of gas makes up around 51 per cent of demand at around 35 billion cubic metres—adequate to meet India's demand for cooking if LPG in kitchens — largely supplied via imports — is replaced by PNG (piped natural gas). After ignoring missed PNG targets for years, New Delhi is now goading city gas utilities to boost connec-

tions over tenfold to 100,000 a day to slash dependence on imported LPG.

Gautam Kedia, head of Indian Biogas Association, said that even if domestic gas output declines, India's growing mountains of waste can be converted into compressed biogas (CBG) for use in kitchens and industries. "We have a potential for 62 million tonnes of CBG. So, theoretically, we can replace all the LNG imports and also take care of the internal demand."

Level playing field?
Despite ease of availability, handsome domestic production and a massive

infrastructure — built at a cost of ₹2 trillion — ready to supply to most of the country's households, critics argue that New Delhi has been unfair in its treatment towards natural gas, offering hardly any incentives for the fuel. By contrast, under recoveries or revenue losses on sales of petrol, diesel and LPG totalled ₹2.2 trillion, oil minister Hardeep Singh Puri said. Subsidies on fertilisers may exceed ₹3 trillion this fiscal. But there's no subsidy for gas, rates for which are linked to international prices.

Long haul transportation, a big polluter, offers the biggest scope for LNG use with the right incentives, industry officials said. (China has substituted polluting diesel in tens of thousands of trucks with LNG.) "There is no substitute for diesel now, electric is a long way off," said Maqsood Shaikh, CEO of Ultra Gas & Energy, a LNG retailer and an Essar venture. About 43 per cent of total diesel that is produced or consumed in India goes to long haul trucking. And that is the potential to be replaced with LNG, he added.

"Targeted policy support can significantly accelerate LNG adoption," said Madhur Taneja, CEO of GreenLine Mobility Solutions, India's biggest operator of LNG trucks and an Essar venture. Taneja highlighted the need for toll concessions, inclusion of LNG heavy-duty vehicles under a FAME-type incentive framework, green logistics procurement mandates and lower permit fees for

LNG commercial vehicles. "Such measures would help bridge the higher upfront acquisition cost of LNG vehicles while enabling operators to benefit from lower operating expenses over the vehicle life cycle."

"In gas, there is a pressing issue of GST for a long time, gas coming under GST will solve a lot of issues," rather than direct subsidies, Sah said.

There is some additional focus on CBG (after the war), said Rajesh Mediratta, CEO of IGX, India's biggest gas exchange. A comprehensive policy on subsidies to CBG producers is expected, he said.

High state taxes on the fuel coupled with geopolitics-led volatility in LNG prices have been a disruptor, government data showed.

Despite adding LNG import terminals and pipelines, gas demand has been uneven—dropping from 64 billion cubic metres (BCM) in 2022 to 60 BCM the following year, climbing to 71 BCM in FY25 before dipping to 68 BCM last fiscal—as cheaper domestic gas supplies shrank. LNG imports surged to 25.1 million tonnes in FY21 from 13.5 million tonnes in FY13 but dipped to less than 20 million tonnes in FY23 fiscal when prices soared to \$60 per million Btu (British thermal units). A decline in rates sent imports higher to 27 million tonnes in FY25 before dropping to 26 million tonnes in FY26.

Inadequate demand is hurting utilisation of LNG import terminals and gas pipelines, industry officials said.

"If you have a viable domestic gas market, it works reasonably in a range," said Anish De, global head of energy and chemicals practice at KPMG. "But because we are so dependent on imports and the price volatility of imports, it's going to be very hard to plan more gas usage."

IGL, the country's biggest city gas utility, said in its latest earnings call that a surge in LNG prices because of the West Asian war increased input costs by 25 per cent—it paid \$7.7 per million British thermal units (MMBtu) for locally procured gas from older areas (APM gas), \$13/MMBtu for gas from new wells and \$17-\$18/MMBtu for spot LNG, around 50 per cent more than pre-war levels.

"Ultimately, it is not the LNG infrastructure that dictates the growth of gas in India but the price of the molecule," said Petronet LNG CEO AK Singh in a recent media call. Price expectations from Indian consumers are for LNG to remain in the single-digit dollar range per MMBtu, he said.

But Singh and his industry counterparts believe a glut in LNG supplies, by 2028, could drive down prices sharply.

The fading cartel

Oil producer alliances no longer wield the market power they once did

FOR HALF A century, the mere possibility of a disruption in the Strait of Hormuz was enough to send shivers through global markets. Roughly a fifth of the world's oil passes through the narrow waterway, making it one of the most strategic maritime choke points on the planet. Had analysts been asked to predict the consequences of its closure, few would have ventured anything below \$150 a barrel, with many forecasting prices closer to \$200. Instead, after briefly touching about \$126, crude largely traded in the \$90s. That outcome says less about the severity of the Iran conflict than about how profoundly the global oil market has changed. The crisis has exposed not the strength of the oil cartel but its diminishing ability to dictate prices. The contrast with the oil shocks of the 1970s could scarcely be sharper. Then, coordinated production cuts by a handful of exporters were enough to trigger prolonged shortages, soaring inflation, and global recession. Today, markets are larger, supply chains more diversified, and consumers far better equipped to absorb temporary disruptions.

The reasons lie outside the control of the producer group. China, the world's largest crude importer, sharply reduced imports — from about 11.4 million barrels a day in February to 6.4 million in May — drawing instead on accumulated inventories. The International Energy Agency coordinated releases from strategic petroleum reserves, cushioning the immediate supply shock. Meanwhile, non-OPEC producers, particularly the US, responded with additional output, filling part of the gap. The combined effect of demand adjustment, strategic stockpiles, and diversified supply demonstrated that today's oil market is far more resilient than during earlier crises.

The political fractures within the producer bloc reinforce the same conclusion. The United Arab Emirates' decision to walk away from OPEC, OPEC+ and Organization of Arab Petroleum Exporting Countries (OAPEC) reflects a growing preference for maximising national production rather than adhering to collective quotas. Other members are reportedly reassessing their positions, while Iran remains in open military confrontation with several Arab producers. Such divisions inevitably weaken any cartel's credibility. OAPEC, once conceived as a vehicle for collective leverage, increasingly looks like a relic of an era when producers could move in concert. Today's market rewards flexibility more than discipline and market share more than artificial restraint. Even Saudi Arabia, the cartel's traditional anchor, has increasingly found itself balancing the competing objectives of defending prices while avoiding a sustained loss of market share to producers outside the group.

For India, one of the world's largest oil importers, this shift offers cautious reassurance rather than complacency. A supply disruption in West Asia still imposes costs, widens the current account deficit and fuels inflationary pressures. But the experience of the Hormuz crisis also validates India's efforts to diversify crude sourcing, build strategic petroleum reserves, and reduce the economy's vulnerability to external oil shocks. At the same time, it underlines the strategic importance of accelerating domestic renewable energy, electric mobility, and alternative fuels, which reduce exposure not merely to price volatility but also to geopolitical risk. Oil will remain geopolitically important for years to come, but the ability of a handful of producers to hold the global economy hostage is steadily eroding. The Hormuz crisis may well be remembered not for triggering an oil shock, but for revealing that the age of the all-powerful oil cartel is drawing to a close.

GOVT LIKELY TO SLOW DOWN E25 ROLLOUT OVER ENGINE DAMAGE CONCERNS

Near-Zero E100 Demand Puts Brakes on OMCs' E85 Rollout

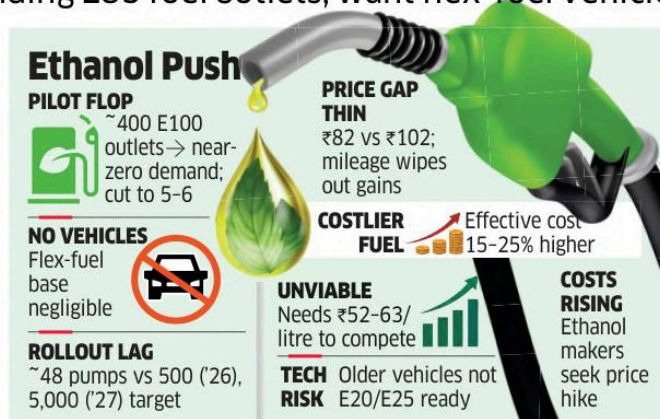
Cos cautious on expanding E85 fuel outlets, want flex-fuel vehicle sales to scale up first

Prashant Mukherjee

New Delhi: Oil marketing companies (OMCs) are wary of committing to a widespread expansion of E85 (85% ethanol, 15% petrol) fuel outlets, having burnt their fingers with the E100 experiment. With nearly 400 E100 pilot outlets seeing almost zero offtake, they want flex-fuel vehicle sales to scale up first before supporting the Centre's push for ethanol blended fuel to reduce import costs as well as reliance on fossil fuels, said industry executives.

"We initially rolled out E100 fuel at close to 400 outlets as a pilot, but offtake was virtually negligible. We have since scaled back sharply to five-six outlets as there were simply no takers. While the government has been pushing us, we are waiting to see how the transition evolves," said a senior Indian Oil Corporation official, who did not wish to be identified.

E100 is pure (100%) ethanol fuel, usable only in flex-fuel vehicles. E85 is ethanol blended with petrol, but it also needs flex-fuel eng-



ines. The lack of flex-fuel vehicles has stalled their roll-out.

Meanwhile, the government is reportedly likely to slow down the E25 roll-out, amid concerns that higher ethanol content could damage engines in existing vehicles. The vehicles built between 2012 and March 2023 were designed only for 10% ethanol blends, and those made before April 2025 aren't fully E20-compliant either.

"While auto companies are just

launching flex-fuel vehicles, with current sentiments the volumes will be nowhere close to what's needed to justify scaling up dispensing infrastructure. Until we see these vehicles selling, putting up more E85 pumps is putting the cart before the horse," the official added.

Road transport and highways minister Nitin Gadkari last month cleared regulations legally permitting E100 use, with a roadmap envisaging about 500 flex-fuel outlets by

December, scaling to nearly 5,000 across major cities by the end of 2027. On the ground, though, only about 48 retail outlets nationally are dispensing E85, with few takers.

OMCs blame the lack of offtake on the thin price difference between E85 and petrol. E85 has been launched at ₹82.12 per litre, compared to ₹102.12 per litre for petrol in Delhi. According to a report by the think tank Council on Energy, Environment and Water, petrol is 2-14% cheaper than pure ethanol fuel (E100) at current prices. Ethanol also carries less energy than petrol, so vehicles running on it burn more fuel to cover the same distance, which pushes ethanol's real cost 15-25% higher than petrol, it said.

Therefore, for ethanol to truly beat petrol on price, it would need to be sold at about ₹52-63 a litre, far below current levels. This is well below the production cost of any commercially viable feedstock assessed. Until that happens, there is little incentive for fuel companies to push ethanol fuel more aggressively, according to the report.

FOR FULL REPORT, GO TO
www.economicstimes.com

Ministries Asked to Fill Top Vacancies at CPSEs in 3 Mths

Govt feels leadership vacuum is delaying strategic decisions at some of the biggest cos

Anuradha Shukla

New Delhi: The government has asked administrative ministries to fill top management vacancies at central public sector enterprises (CPSEs) within the next three months amid concerns that leadership vacuum is delaying strategic decisions in some of India's biggest state-run companies, people aware of the development said.

The direction follows a meeting chaired by the cabinet secretary, TV Somanathan, last month on the functioning of strategic CPSEs. Participants flagged concerns over three dozen vacant board-level positions and prolonged 'additional charge' arrangements at the meeting. "The latest trigger was that one of the leading CPSEs was sitting on an important project for three months just because the post

was vacant and the person in charge was reluctant in giving approval," a senior official told ET.

As of February 2026, 53 CPSEs, including key entities such as Bharat Petroleum Corp (BPCL), BSNL, MTNL and MMTC, were operating without full-time chairman and Managing Directors (CMDs), relying on interim "additional charge" arrangements. The department of public enterprises has sent instructions to all the ministries overseeing CPSEs last week to identify pending vacancies, fast-track the selection process and ensure proposals move through the approval chain without delay.

SUCCESSION PLANNING

Also, they are asked to start looking for candidates at least six months in advance.

The exercise will cover posts including chairman and managing director (CMD), managing director (MD) and functional directors, including finance, operations, projects and human resources.

Several CPSEs continue to be run by executi-

ves holding additional charge of top positions pending regular appointments.

In its report on the demand for grants, tabled in March this year, the parliamentary Standing Committee on Finance headed by BJP leader Bhartruhari Mahtab said key vacancies are dragging the performance of CPSEs.

The shortage of independent directors is even more acute, with 533 positions vacant out of a sanctioned 758, implying a nearly 70% vacancy rate. Appointments to CMD and director-level posts are made through the Public Enterprises Selection Board (PESB), followed by approvals from the administrative ministry and the Appointments Committee of the Cabinet (ACC). Officials said the multi-stage process, while ensuring scrutiny, often creates a gap between the retirement of an incumbent and the appointment of a successor.

As a result, ministries frequently assign additional charge to an existing director or the head of another CPSE until a regular appointment is made.



Gadkari defends E20 fuel rollout

FE BUREAU

New Delhi, July 7

UNION ROAD TRANSPORT and Highways Minister Nitin Gadkari on Tuesday defended the government's mandatory E20 petrol rollout, challenging critics to name a single vehicle in the country which has suffered mechanical issues due to the 20% ethanol-blended fuel.

Speaking at the 'Viksit Bharat Conclave', Gadkari dismissed growing public complaints regarding reduced fuel efficiency and vehicle damage as a coordinated smear campaign.

"There is no case of any car facing issues due to E20 petrol," Gadkari stated. "Has there been any car in the country that faced issues due to the use of E20 petrol? Just name one." He went on to allege that the "false narratives" surrounding the higher ethanol

STICKY POINT

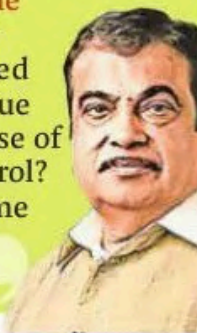
■ Gadkari alleged that the 'false narratives' about the ethanol blends are driven by 'paid campaigns'

■ India has already successfully achieved its target of a 20% ethanol blend

■ He emphasised that transitioning to clean energy is an absolute necessity for the nation

NITIN GADKARI,
UNION MINISTER

Has there been any car in the country that faced issues due to the use of E20 petrol? Just name one



blends are being driven by "paid campaigns."

India has already successfully achieved its target of a 20% ethanol blend—derived from biomass sources like sugarcane, corn, and rice—to create a cleaner-burning fuel.

Gadkari emphasised that

transitioning to clean energy is an absolute necessity for the nation, pointing out that India's heavy reliance on fossil fuels inflicts a massive annual economic burden of ₹22 lakh crore on crude oil imports, alongside posing severe environmental hazards.

The minister also highlighted the gains to farmers the policy has brought, particularly after the government permitted ethanol production from corn.

"When we decided to make ethanol from corn, the market price was ₹1,200 per quintal, while the Minimum Support Price (MSP) was ₹1,800 per quintal. Following our decision, the market price of corn surged to ₹2,800 per quintal," Gadkari said, adding that the move injected an additional ₹45,000 crore directly into the pockets of farmers across Uttar Pradesh and Bihar.

Addressing persistent allegations that his push for the biofuel is conflicted by his own family's business interests, Gadkari clarified that while his family members do own sugar factories, their companies are entirely independent of ethanol production.

Brent takes top share in India crude basket

Rituraj Baruah

rituraj.baruah@livemint.com

NEW DELHI: India has flipped the composition of its official crude basket after disruptions to West Asian oil supplies during the Iran conflict reshaped its crude import mix, giving Brent-linked crude a higher weight than Dubai-Oman sour crude for the first time in the available PPAC data series since 2001.

The share of Dubai-Oman sour crude in the Indian crude basket has been cut to 20.60%, the lowest since comparable data became available in 2001, according to data from the Petroleum Planning and Analysis Cell (PPAC). Brent-linked sweet crude now accounts for 79.40% of the basket, up from 71.02% in June, 70% in May and 61.02% in April, according to PPAC data.

West Asia's share in India's crude imports fell to around 22% in June, according to Kpler data, from 60-70% before the Iran conflict erupted on 28 February, as refiners replaced disrupted West Asian supplies with Russian, US, Venezuelan and West African barrels.

The Indian crude basket is a pricing benchmark that reflects refiners' crude procurement costs. Although India imports



The share of Dubai-Oman sour crude in the Indian crude basket has been cut to 20.60%. REUTERS

oil from about 41 countries, the basket comprises only the globally traded Brent and Dubai-Oman benchmarks. Russian crude—the country's largest import source—is excluded because it is not exchange traded. The basket is typically reweighted annually based on the previous year's import pattern and does not materially affect fuel pricing or supply contracts.

Before the Iran conflict, Dubai-Oman crude accounted for roughly 70% of the basket. The latest revision reflects refiners' growing reliance on Russian, Venezuelan and West African barrels after disruptions to West Asian supplies following the closure of the Strait of Hormuz amid the US-Iran war.

The change comes as Gulf

producers face stiffer competition in Asia.

A recent HSBC report said Asian buyers, particularly India, Japan and South Korea, have sharply increased purchases from the US Gulf Coast and other Atlantic Basin producers, including South America, as substitutes for disrupted West Asian supplies.

Mint earlier reported, citing Kpler data, that India's Russian crude imports averaged 2.66 million barrels a day during 1-19 June, accounting for roughly half of the country's total crude imports during the period.

Russia's share rose to 51%, while imports from West Africa and South America have also witnessed an increase, offsetting the decline in West Asian supplies.

Hormuz reopening eases fertiliser worries, Aug key

Pallavi Singhal

letters@hindustantimes.com

NEW DELHI: The gradual normalisation of shipping through the Strait of Hormuz has eased immediate concerns over India's fertiliser supplies, but executives in India's fertiliser industry say August is when it will become clear whether India has successfully avoided the crisis – for that's when companies will start placing import orders that will determine fertiliser availability for the Rabi (winter crop) sowing season.

"If you're sourcing from West Asia for Rabi, contracts ideally need to be placed by the first week of August," said Sanjiv Kanwar, managing director, Yara South Asia, a global agri-inputs company. "That gives enough time for vessels to be booked and cargoes to arrive before demand picks up."

India's fertiliser requirement for the financial year 2026-27 is projected to reach approximately 39 million tonnes of urea, 8.5 to 8.8 million tonnes of di-ammonium phosphate (DAP), 14 million tonnes of nitrogen, phosphorus, and potassium (NPK) fertilizers, and about 2.2 million tonnes of muriate of potash (MOP), according to industry estimates. India produces roughly 75% of its urea, 45% of its DAP, and 50% of its NPK fertilizer requirements, while its



Nearly 70% of India's urea imports come from Gulf countries.

HT

MOP supply is entirely dependent on imports.

The country also imports liquefied natural gas (LNG), the principal feedstock for urea production, making the Strait of Hormuz a critical trade route for the sector. West Asia accounts for roughly half of India's imports of urea and diammonium phosphate.

The war in West Asia, which started on February 28 with the US and Israel attacking Iran, resulted in a blockade of the Strait of Hormuz, a critical maritime chokepoint through which about 20% of India's total imports pass. Nearly 70% of India's urea imports come from Gulf countries, including Oman, Saudi Arabia and Qatar, with virtually all shipments transiting the strait. Nearly 60% of India's LNG imports also pass through the strait and any disruption could hit domestic urea production, which uses natural gas as

its main raw material.

But India may have seen a hit of only 500,000 tonnes of urea production during the disruption, Kanwar claimed. He added that the loss is expected to be largely recovered over the coming months as plants have resumed full-capacity operations. "We have a very efficient production system. Most plants are now running at full capacity and a significant part of the lost production can be made up," he said. At the same time, the government moved quickly to bridge potential shortages by stepping up imports.

According to Kanwar, India has already contracted over five million tonnes of imported urea this year against an estimated import requirement of around eight million tonnes. Unlike previous years, much of these purchases have come from suppliers outside West Asia.

"Very little is now coming from West Asia," he said. "Russia has stepped in a big way. We have also diversified to Africa and new vendors."

But the real test will come in August which marks the beginning of fertiliser procurement for the winter crop, with import contracts needing to be signed in advance to allow suppliers to allocate cargoes, arrange vessels and ensure shipments reach Indian ports before demand picks up from October.

India's ethanol strategy should win public trust



KARUNA GOPAL
VARTAKAVI

In early July 2026, just a few days ago, the Ministry of Petroleum and Natural Gas convened a press conference in New Delhi with leaders from Energy Industry. Their message was loud and clear — India's petrol now contains 20% ethanol nationwide, the target has been met five years ahead of the original 2030 deadline, and vehicle owners have nothing to worry about.

Ethanol is not a new or experimental automotive fuel. It has been called "fuel of the future".

Ethanol's exceptionally high-octane number (approximately 108 RON) has made it a preferred fuel component for high-performance internal combustion engines. Ethanol has historically been used in several sports cars.

But the social media was afire with a very different message. Videos claiming E20 fuel corrodes engines, attracts insects to fuel caps and requires copious quantities of water to produce had been circulating for months, some of them viewed hundreds of thousands of times. India has executed one of the more consequential fuel-policy shifts of the decade, but unfortunately many do not trust it. This piece of mine tries to separate what is verified and why public should be open to see that truth ignoring the content that

went viral on social media. **What the Programme Actually Is**

The Ethanol Blended Petrol (EBP) Programme did not begin with E20 nor did it begin recently. Pilot blending at 5% started at three locations in 2001, spread across nine states and four union territories in 2003. The programme's real acceleration dates to a revised National Policy on Biofuels in 2018, which reset the 20% target to 2030.

By December 2025, public sector oil marketing companies had reached the 20% blending mark nationwide — feedstock now drawn from a widening mix of sugarcane juice and molasses, surplus rice released by the Food Corporation of India and increasingly maize.

This is not framed by the Government purely as an industrial or agricultural policy. It sits explicitly within India's climate commitments too — ethanol blending is a decarbonisation lever supporting the country's Nationally Determined Contributions under the Paris Agreement and its 2070 net-zero target. Roughly 930 lakh metric tonnes of avoided CO₂ emissions and crude oil substitution of more than 310 lakh metric tonnes can be attributed to this program.

TRANSITION — Phased, Consultative, Science-Led

The Government's defence of the rollout is that it has not been sudden. A joint IOCL-ARAI-SIAM (Indian Oil Corporation Ltd — Automotive Research Association of India — Society of Indian Automobile Manufacturers) study in 2010 examined the effects of E10 on existing vehicles, running



mileage accumulation of 20,000 km on two-wheelers and 40,000 km on four-wheelers, with interim testing every 5,000-10,000 km. That study found hydrocarbon and carbon monoxide emissions falling by roughly 20% with E10, with no drivability or startability issues. Another more consequential study followed soon, when the government tasked ARAI — working with IOCL, IIP-Dehradun and SIAM — with assessing "material compatibility and emission performance" for E20. That study reported carbon monoxide emissions falling by around 50% in two-wheelers and 30% in four-wheelers, and unburnt hydrocarbon emissions down roughly 20% across both categories, with no significant issues across most compatibility parameters — the one downside being that certain rubber parts and gaskets in older vehicles might need earlier replacement than under non-blended fuel.

At the recent press conference, industry gave this research a commercial angle. Toyota Kirloskar's Vikram Gulati stressed that vehicle

testing and certification in India is governed by internationally standardised protocols under UNECE. Maruti Suzuki's Rahul Bharti offered a "statement of confidence" — of 2.84 crore vehicles serviced by Maruti in FY2025-26, more than 1.5 crore were over three years old and therefore not E20-certified — and the company reported no field-level incidents of corrosion, wear or component damage attributable to E20 among them. Hero MotoCorp's Ashutosh Varma made a similar claim for two-wheelers based on service data analysis.

Internationally, the US runs E10 as its standard blend, with E15 expanding under federal backing and flex-fuel vehicles capable of E85. Brazil mandates E27 today, moving toward roughly 35% with more than 80% of new Brazilian passenger vehicles built as flex-fuel. Canada, Japan and Thailand run E10, and several European countries blend ethanol as a matter of course. On this reading, India's E20 is catching up to an established global norm, not experimenting ahead of one.

The Water-Intensity Controversy

A separate and more agriculture-rooted critique concerns what ethanol is made from. Sugarcane and paddy are both water-intensive crops in a country with acute water stress in several regions, and viral claims have circulated a figure — roughly 10,000 litres of water per litre of ethanol — that the Ministry has explicitly rejected as baseless.

The Government argues that paddy and sugarcane are grown mainly for food security, with only surplus stocks used for ethanol, so their water use should not be fully attributed to ethanol production.

The Geopolitical Urgency Layer

The most important piece in this whole ethanol gambit is the geopolitical angle. The timing of this year's push cannot be separated from the wider energy environment. West Asian Crisis reintroduced volatility into Middle Eastern crude supply routes — a live reminder of the vulnerability that comes with import dependence. India imports the large majority of its crude oil, and disruptions of this kind translate quickly into price and supply pressure at the pump.

The Government's energy-security figures are pitched directly at this pressure-foreign exchange savings exceeding ₹1.9 lakh crore and crude oil substitution of more than 310 lakh metric tonnes since 2015 attributed to the ethanol program. E20 is not simply an environmental initiative running on its own schedule — it is being actively positioned as a hedge that happened to be ready just as global crude markets became

less predictable again.

The Misinformation Layer

The pattern worth noting is that a scientifically grounded policy is being communicated in a way that leaves gaps for both genuine grievance and fabricated claims to occupy the same space. A vehicle owner with a legitimate question about a three-year-old car's gasket compatibility encounters the same information ecosystem as someone sharing a fake video of separated petrol and diesel. When the loudest official response bundles both categories together as "misinformation," it risks looking dismissive of the first group even while correctly debunking the second — and that in turn feeds the trust deficit rather than closing it.

Way Forward

India's ethanol blending programme has produced measurable, verifiable outcomes: a five-year acceleration on target, real emissions reductions, real crude substitution, and a credible hedge against Middle Eastern supply shocks at a moment those shocks have returned.

Clearing the fog around E20 will require more than another round of press releases or conferences. A few concrete steps like independent, longitudinal verification, a genuine feasibility study on fuel choice, continued transparent feedstock transition, a standing fact-check mechanism separate from ministry messaging will go a long way in making citizens ride the high-octane road of trust.

The writer is a global thought leader and a futurist served on the Board of Engineers India Ltd (Union Ministry of Petroleum & Natural Gas)

Consumption of petroleum goods nears normal

By Abhishek Jha

The US and Iran signed a memorandum of understanding on June 17 that eased traffic through the Strait of Hormuz, a key route for Gulf oil and gas exports that had been disrupted since the US-Iran war began at the end of February. Did this bring India's consumption of oil and gas products back to normal? Traffic through Hormuz has not fully normalised, the US-Iran agreement came only in mid-June, and complete consumption data is not yet available. However, provisional petroleum consumption data for June released by the petroleum ministry suggests that demand is returning to normal. Here are some charts that show this.



1 Growth rebounded to normal levels for petrol and diesel consumption in June, but not for ATF

HT reported on June 3 that petrol and diesel consumption had not contracted up to May despite the West Asia crisis. However, consumption growth had slowed compared to long-term averages. While part of this slow growth could have been attributed to price hikes leading to demand destruction, June data supports the claim that there was also an aspect of supply constraint to the story. While retail prices remained where they were in May, the growth in the consumption of petrol-diesel was back to long-term averages in June. ATF consumption growth was, however, still sluggish.

Consumption growth in key petroleum products Growth in quantity terms (%)

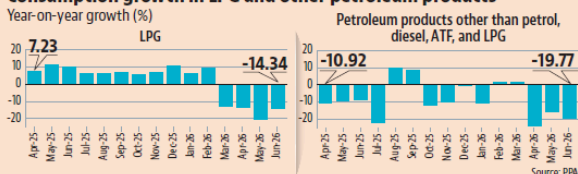
PETROL		2025 to 2026 growth	
2022-2025 CAGR			
March	6.49		7.59
April	7.23		6.8
May	7.83		3.38
June	5.86		7.44
DIESEL		2025 to 2026 growth	
2022-2025 CAGR			
March	1.58		8.06
April	4.69		0.83
May	5.64		1.58
June	1.84		6.16
ATF		2025 to 2026 growth	
2022-2025 CAGR			
March	13.88		0.69
April	11.77		-0.09
May	9.21		0.91
June	7.48		0.1

Source: PPAC

2 Contraction in LPG consumption continued, but was not as sharp as May

Contraction in LPG consumption and other petroleum products (all excluding petrol, diesel, ATF, and LPG) continued in June. However, the level of contraction eased for LPG. It was 14% in June, an improvement over the 21% contraction in May. The trend was less clear for other petroleum products, but their consumption is also more volatile. To be sure, these other products regularly reported contraction even before the war.

Consumption growth in LPG and other petroleum products



Source: PPAC

3 It's unclear how much natural gas substituted LPG

The decline in LPG consumption should be viewed alongside the government's efforts to shift consumers towards natural gas after the conflict began. However, it is not clear how much of this shift is affecting LPG consumption. This is because natural gas consumption itself has contracted every month since the war started, a trend that continued up to May (the latest available data for natural gas). A contraction in natural gas consumption is also not rare and, therefore, difficult to interpret. The fuel's consumption recorded a bigger contraction in March and May last year than this year. To be sure, the fuel's consumption for CGD (city gas distribution), which includes natural gas used as Piped Natural Gas (PNG) and Compressed Natural Gas (CNG), has not contracted so far. Sectoral consumption data for March and April shows all sectors recording a contraction except CGD, which registered 11.5% and 15.7% growth in the two months. Consumption growth happened in almost all sectors in February.

Consumption growth in natural gas Growth in quantity terms (%)

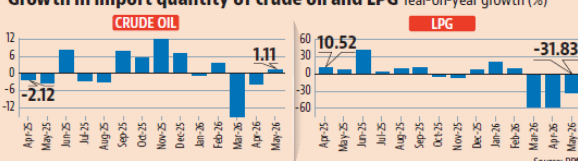
	2015-2025 CAGR	2022-2025 CAGR	2024 to 2025 growth	2025 to 2026 growth
January	3.03	3.91	-7.53	11.25
February	4.6	6.07	-5.75	-2.62
March	3.55	-0.65	-12.74	-6.39
April	3.96	5.38	4.46	-7.68
May	3.72	0.13	-11.7	-7.01

Source: PPAC

4 Crude oil imports grew even in May

How has India been able to avoid a major crisis in petroleum products availability, especially petrol and diesel? One reason could be that crude oil imports – in quantity terms – were not disrupted drastically. While the contraction in imports was 15% in March, the highest since pandemic affected February 2021, this eased to a 3.9% contraction in April, a level seen as recently as June 2024 before the West Asia war. Since the government diverted some of this crude oil to production of LPG, this might have helped even with softening the contraction in LPG consumption. Moreover, LPG imports themselves were recovering by May.

Growth in import quantity of crude oil and LPG Year-on-year growth (%)



Source: PPAC

बिज़नेस स्टैंडर्ड

वर्ष 19 अंक 122

उपभोक्ताओं को मिले विकल्प

भारत का एथनॉल-मिश्रण कार्यक्रम एक अग्रगण्य विवाद का विषय बन गया है। इसके उद्देश्य को लेकर कोई आपत्ति नहीं है। यह सही है कि पेट्रोल में 20 फीसदी एथनॉल मिलाने से आयातित कच्चे तेल पर निर्भरता कम होती है, हमारी ऊर्जा सुरक्षा बेहतर होती है और देश के स्वच्छ ईंधन लक्ष्यों को मदद मिलती है। लेकिन हालिया विवाद ई20 (20 फीसदी एथनॉल मिश्रण) को लेकर है और यह स्वयं एथनॉल मिश्रण पर नहीं बल्कि इसे लागू किए जाने के तरीके पर केंद्रित है। सस्कर ई20 के बचाव में तमाम साक्ष्य पेश कर रही है। अटॉमीस्टिव रिसर्च एसोसिएशन ऑफ इंडिया (एआरआई), इंडियन ऑइल और वाहन विनिर्माताओं के तकनीकी अध्ययनों में उच्च एथनॉल मिश्रण से व्यापक इंजन क्षति या उसमें गंभीर रूप से जंग लगने का कोई संकेत नहीं मिल सका है। इसके साथ ही अध्ययनों ने यह भी स्वीकार किया कि वाहन मालिकों को हो रहे अनुभव भी गलत नहीं हैं। परन्तु, एथनॉल का कम उष्मीय मान (कैलोरीफिक वैल्यू) ईंधन की दक्षता को कम करता है जिससे उनके माइलेज में कमी आती है। दूसरा, पुराने वाहनों के कुछ कलपुर्जे ई20 के कारण तेजी से खराब हो सकते हैं। अध्ययनों ने यह भी संकेत किया कि पुरानी ईंधन प्रणालियों में लगे रखर के कुछ कलपुर्जे ई20 के साथ कमजोर प्रदर्शन करते हैं और समय के साथ उन्हें बदलने की आवश्यकता पड़ सकती है।

देश को सड़कों पर इस समय करीब ऐसे वाहन हैं जो ई20 के लिए अनुकूल इंजन और फ्यूल सिस्टम बनने के पहले से चल रहे हैं। इन वाहनों के मालिकों के पास अब उस ईंधन का प्रयोग करने के अलावा कोई विकल्प नहीं है जो उसको वाहनों के अनुकूल है ही नहीं। पुराने वाहनों के मालिकों को इस ऊर्जा बदलाव की लागत उठाने के लिए मजबूर होना पड़ा है जबकि उन्हें कोई सार्थक विकल्प नहीं दिया गया।

यदि ई20 के साथ-साथ ई10 की उपलब्धता जारी रहती तो नए मानक से पहले बने वाहनों वाले उपभोक्ताओं पर अतिरिक्त बोझ बहुत कम पड़ता। एथनॉल की मात्रा में भविष्य में किसी भी वृद्धि के लिए अटॉ विनिर्माताओं को आवश्यक समायोजन करने के लिए पेट्रोल समय देना जाना चाहिए। ब्राजील जैसे एथनॉल का इस्तेमाल करने वाले परिपक्व बाजारों ने दिखाया है कि उपभोक्ताओं को अलग-अलग ईंधन विकल्प देना महत्वाकांक्षी मिश्रण लक्ष्यों के साथ पूरी तरह संगत है। 1975 में एक्कोहल समर्थक कार्यक्रम की शुरुआत से, उस देश को एक स्थिर ई20 पारिस्थितिकी तंत्र बनाने में पांच दशकों से अधिक का समय लगा, और अब वहां मानक ई30 पेट्रोल मिश्रण चलता है। वास्तव में ब्राजील ने फ्लेक्स-फ्यूल वाहनों को अपनाने में तेजी लाई जिससे मोटर चालकों को ईंधन पंप पर जो भी ईंधन सस्ता हो, उसे चुनने की स्वतंत्रता मिली।

एक और महत्वपूर्ण पहलू है जिस पर ध्यान देने की आवश्यकता है। हाल ही में चावल के दाने से बनने वाले एथनॉल के विस्तार में भारतीय खाद्य निगम (एफसीआई) के अधिशेष चावल से एथनॉल बनाना शामिल है और यह कृषि नीति में गहरी खामियों को दर्शाता है। सरकार चावल को ऊंची आर्थिक लागत पर खरीदती है, उसे भारी सार्वजनिक खर्च पर संग्रहित करती है और फिर उसे एथनॉल उत्पादकों को भारी छूट पर बेच देती है। इसको आर्थिक आधार पर उचित ठहराना मुश्किल है। पर्यावरणीय तर्क भी उतना ही कमजोर है। चावल देश की सबसे अधिक जल-खपत वाली फसलों में से एक है और मीथेन उत्सर्जन का एक महत्वपूर्ण स्रोत है। एथनॉल उत्पादन की अर्थव्यवस्था पर पुनर्विचार करने की आवश्यकता है। जैसे-जैसे मिश्रण लक्ष्य बढ़ते हैं, भारत को यह सुनिश्चित करना चाहिए कि फोडस्टॉक का चयन दक्षता से प्रेरित हो न कि प्रशासनिक सुविधा से। प्रमुख कृषि अर्थशास्त्रियों ने तर्क दिया है कि चावल या गन्ने की तुलना में मक्का दीर्घकालिक फोडस्टॉक के रूप में अधिक उपयुक्त है क्योंकि इसमें सिंचाई की आवश्यकता बहुत कम होती है और उत्पादकता बढ़ाने की अधिक संभावना होती है। बेहतर बीज तकनीक और कृषि पद्धतियों के माध्यम से पैदावार बढ़ाने से मक्का-आधारित एथनॉल अधिक प्रतिस्पर्धी और कम संसाधन लगाने वाला बन सकता है। इसलिए फोडस्टॉक नीति का ध्यान अधिशेष अनाज के निपटान पर कम और एक कुशल तथा टिकाऊ एथनॉल अर्थव्यवस्था के निर्माण पर अधिक होना चाहिए। भारत के एथनॉल मिश्रण कार्यक्रम को अधिक उपभोक्ता विकल्पों वाला एवं बेहतर आर्थिक तर्क और समाह्वय फोडस्टॉक नीति द्वारा नियंत्रित होना चाहिए।