



## Kumar Shanker takes charge as Managing Director of Indraprastha Gas



### PIONEER NEWS SERVICE

■ New Delhi

Indraprastha Gas Ltd (IGL), India's largest city gas distributor, said on Monday that Kumar Shanker has assumed charge as its managing director. He succeeds Kamal Kishore Chatiwal, who has returned to parent company GAIL (India) Ltd after a three-year stint.

Shanker, a chemical engineer from BITS Pilani, brings more than three decades of experience in India's oil and gas sector, spanning natural gas processing, petrochemicals, project management, corporate strategy, marketing, regulatory affairs and city gas distribution, IGL said in a statement.

Prior to joining IGL, he served as Managing Director of Maharashtra Natural Gas Ltd (MNGL), where the company emerged as one of India's top-five city gas distributors in terms of growth, profitability and expansion of domestic piped gas infrastructure.

Over a career spanning more than 30 years at GAIL, Shanker held positions across multiple business verticals and locations, including Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh and New Delhi, it said.



## **Kumar Shanker takes charge as MD of IGL**

INDRAPRASTHA GAS (IGL), India's largest city gas distributor, said on Monday that Kumar Shanker has assumed charge as its managing director. He succeeds Kamal Kishore Chatiwal, who has returned to parent company GAIL (India) after a three-year stint.



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## Kumar Shanker Takes Charge as IGL MD



**New Delhi:** Kumar Shanker has taken over as managing director of Indraprastha Gas, the country's largest city gas distributor, replacing Kamal Kishore Chatiwal, who has returned to GAIL. A chemical engineer from BITS Pilani, Shanker has spent more than three decades at GAIL in various roles. Prior to this appointment, he served as managing director of Maharashtra Natural Gas Ltd (MNGL) in Pune. Under his leadership, MNGL grew to become one of the top five city gas distributors in the country, IGL said in a statement. IGL is a JV between GAIL and BPCL, with the Delhi government holding a 5% equity stake. —Our Bureau

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## Adani Port secures 10-yr marine contract for Argentina's first LNG export to India

NEW DELHI, JUNE 8

Adani Ports and Special Economic Zone Ltd. (APSEZ) has on Monday secured a 10-year marine services contract for Argentina's first liquefied natural gas (LNG) export, marking its entry into South America and expanding its international marine services footprint.

The contract has been awarded to APSEZ's step-down subsidiary, the Adani Harbour International FZCO, through a

consortium with Argentina-based Meridian Group following a global competitive tender process conducted by Southern Energy SA (SESA).

The award strengthens APSEZ's presence across international energy logistics value chains and underscores its growing capabilities in specialised marine services.

The Adani Group-Meridian consortium will deliver marine services for the Southern Ener-

gy FLNG project, supported by an estimated investment commitment of \$70 million.

Under the agreement, the consortium will provide end-to-end marine services, including tugboat operations for LNG carriers, offshore logistics and supply support and crew transfer services. The scope will be supported by four high-specification tugboats, one anchor handling tug supply vessel and one crew boat. — TNS

**The Tribune**

Tue, 09 June 2026

<https://epaper.tribuneindia.com/c/80073817>



# With surge in crude volatility, OMCs incurring daily losses of ₹600-700 cr

**GROWING CONCERN.** West Asia conflict pushing oil prices higher and deepening losses for PSU fuel retailers

**Rishi Ranjan Kala**  
New Delhi

The PSU oil marketing companies (OMCs) are facing a daily loss of around ₹600-700 crore on an industry basis due to the volatility in crude oil prices on account of the West Asian conflict, which intensified further with Iran attacking Israel on Sunday.

Pravin Mal Khanuja, Additional Secretary in the Ministry of Petroleum & Natural Gas (MoPNG), said the under-recovery on petrol currently is ₹6 per litre and that on diesel is ₹30 a litre.

Besides, on an industry basis, PSU OMCs are losing around ₹600-700 crore per day on a cumulative basis.

"All refineries are operating at high capacity with adequate crude inventories, while sufficient stocks of petrol and diesel

are being maintained. All retail outlets are operating normally across the country," the senior Oil Ministry official emphasised.

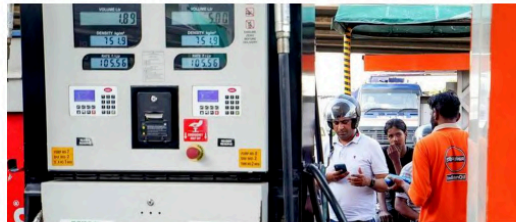
To manage losses, PSU OMCs have already raised petrol and diesel prices by roughly ₹7.50 a litre each in four instalments. CNG prices were also revised upwards by ₹6 per kg.

On the brighter side, about 9.16 lakh piped natural gas (PNG) connections have been operationalised since March 1 and infrastructure has been created for additional 3.05 lakh connections, taking the total to 12.21 lakh connections, Khanuja said.

Besides, about 9.24 lakh customers have been registered for new connections.

Further, 82,000 PNG consumers have surrendered their LPG connections till June 7.

Refineries supplied 2,760 tonnes of C3/C4 molecules and



**MANAGING LOSSES.** OMCs have already raised petrol and diesel prices by roughly ₹7.50 a litre each in four instalments PTI

1,660 tonnes of butyl electrolyte since June 1 for chemicals and pharma, he added. Despite the ongoing situation in West Asia, supplies of crude oil, LPG and natural gas remain stable. India has adequate stocks of petrol, diesel and LPG available in the country, he assured.

## LPG PRODUCTION

Khanuja said that domestic LPG production has been maximised with domestic refineries

and fractionators continuing to produce about 52-53 thousand tonnes per day (TPD), about 60 per cent higher than pre-crisis levels.

"There have been no reports of dry-out at LPG distributorships. LPG delivery backlogs have been reduced to less than four days, while 99 per cent of LPG cylinder bookings are now made online. The Delivery Authentication Code (DAC) compliance rate stands at around 96

per cent" he added. It is expected that OMC losses may increase further after Iran's attack on Israel on Sunday, which has again pushed up crude oil prices. On Monday, Brent stood at \$94.78 a barrel and WTI was trading at \$91.88 per barrel.

Norbert Rucker, Head, Economics and Next Generation Research at Julius Baer, said the hot-headed politics in West Asia keeps the oil market nervous. With the latest exchange of hostilities between Israel and Iran, the broader conflict's power balance and resolution are once again on the testbed.

"Diplomacy remains in gridlock and could falter, not least given the latest events and the challenges they bring to the US-Israel alliance. That said, a full-scale escalation has remained absent so far, and looking ahead, these chances incrementally diminish over time," he added.



## Kumar Shanker assumes charge as MD of Indraprastha Gas Ltd

**NEW DELHI:** Kumar Shanker has taken over as Managing Director of Indraprastha Gas Ltd (IGL), the largest City Gas distribution company of the country, operating City Gas Distribution (CGD) networks across 33 districts in twelve geographical areas across four states of Delhi, Uttar Pradesh, Haryana and Rajasthan. Shanker, a Chemical Engineer from prestigious BITS Pilani brings to IGL, a rich domain experience of over 32 years in Oil & Gas Sector of rich and diverse experience in the natural gas industry encompassing Commissioning and Operations of Gas Processing Plants, Project Management of Petrochemical Units, Corporate Strategy & Planning, Marketing & Regulatory functions, and CGD sector.



MPOST

# APSEZ bags 10-year contract for Argentina's 1st LNG export project

## OUR CORRESPONDENT

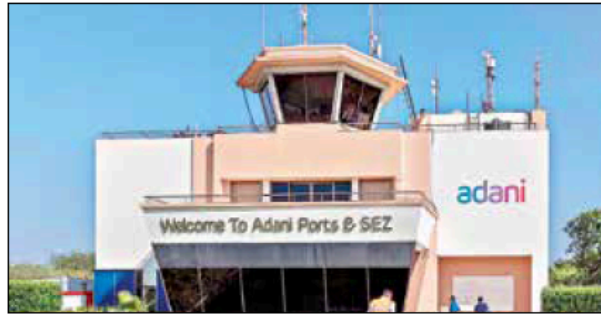
NEW DELHI: Adani Ports and Special Economic Zone Ltd (APSEZ) on Monday said it has secured a 10-year marine services contract for Argentina's first LNG export, marking its entry into South America and expanding its international marine services footprint.

The company in a statement said the contract has been awarded to APSEZ's step-down subsidiary, Adani Harbour International FZCO, through a consortium with Argentina-based Meridian Group, following a global competitive tender process conducted by Southern Energy SA (SESA).

The award strengthens APSEZ's presence across international energy logistics value chains and underscores its growing capabilities in specialised marine services, it added.

Under the agreement, the consortium will provide end-to-end marine services, including tugboat operations for LNG carriers, offshore logistics and supply support, and crew transfer services. The project will be supported by four high-specification tugboats, one anchor handling tug supply vessel and one crew boat.

Ashwani Gupta, Wholesale Director and CEO, APSEZ, said, "With marine operations in 12 countries and a growing fleet of marine assets supporting ports, LNG terminals, national oil companies, refineries and



**'The contract has been awarded to APSEZ's step-down subsidiary, Adani Harbour International FZCO, via consortium with Argentina-based Meridian Group'**

offshore facilities, we bring deep operational expertise to complex maritime environments."

"By combining these capabilities with strong local partnerships, we are helping create reliable maritime ecosystems that enable new energy trade corridors and strengthen long-term supply resilience," he added. APSEZ said Argentina is emerging as a major new LNG supplier, with agreements in place to support exports of up to 10 million tonnes (MT) annually to India from 2027.

The Southern Energy FLNG

project is expected to play an important role in connecting this growing supply base with global demand centres. According to the statement, The Southern Energy FLNG project is being developed by SESA, a joint venture between Golar LNG & Pan American Energy.

Located in the San Matias Gulf in Argentina's Rio Negro Province, the project will liquefy natural gas from the General San Martin pipeline aboard the Floating Liquefied Natural Gas (FLNG) vessel Hilli Episeyo, with commercial operations expected to begin in September 2027.

In its first phase, APSEZ said the project is expected to produce 2.45 MT of LNG annually, equivalent to approximately 28 cargoes per year, making it Argentina's first operational LNG export project. The contract will be executed through Meridian Transportes Maritimos SA, a 51:49 joint venture between Adani Harbour International FZCO and Meridian Group, the company added.

# 'Narrow price gap with LPG slowing shift to piped gas'

**SHUBHANGI MATHUR**  
New Delhi, 8 June

The government's push for higher adoption of piped natural gas (PNG) for household cooking could gain momentum if the price gap between PNG and liquefied petroleum gas (LPG) cylinders widens, Kamal Kishore Chatiwal, former managing director (MD) of Indraprastha Gas (IGL), told *Business Standard* in an interview.

Meanwhile, IGL on Monday announced a change in its top leadership, with Kumar Shanker taking charge as MD, succeeding Chatiwal. The appointment follows his nomination by promoter company Gail (India).

The ongoing crisis in West Asia has prompted India to explore alternatives to LPG, which remains the country's primary cooking fuel. To reduce dependence on LPG imports, the government is focusing on accelerating the transition of households to piped cooking fuel. "People are used to a certain way. If somebody sees an economic advantage in switching to PNG, then the transition would be fast.

Currently, the delta (price gap between PNG and LPG) is a maximum of 10 per cent. If it increases to, say, 30 per cent, then the transition would be quick," said Chatiwal.

In Delhi, a 14.2 kilogram (kg) LPG cylinder costs ₹942 following a recent hike of ₹29 per cylinder, while PNG is priced at ₹49.59 per standard cubic metre.

Chatiwal also advocated halving the price of administered price mechanism gas sourced from legacy fields for domestic PNG consumers, saying the move would markedly reduce costs for households.

He highlighted the challenge of pending PNG connections in vacant or tenant-occupied houses, where only the property owner's consent is required to complete the installation process. In the Delhi-National Capital Region alone, IGL has identified around 128,000 households that can be connected to the gas network immediately. "We found that many houses are locked, vacant, or occupied by tenants. Since the owners do not reside there, they are often not concerned about the convenience of a PNG connection and are reluctant to engage in the process," he said.



**“CURRENTLY, THE PRICE GAP BETWEEN PNG AND LPG IS A MAXIMUM OF 10%. IF IT INCREASES TO, SAY, 30%, THEN THE TRANSITION WOULD BE QUICK”**

Kamal Kishore Chatiwal, Former MD, IGL

To address the issue, IGL has simplified application formalities for PNG connections and is organising awareness camps in identified localities to boost adoption. IGL, the country's largest city gas distribution company, operates across 12

geographical areas in Delhi, Uttar Pradesh, Haryana, and Rajasthan.

Amid concerns over energy security following the West Asia crisis, the government has rolled out a series of measures to quicken the adoption of PNG among households and commercial consumers.

In late May, the government mandated that LPG cylinder supplies to households would be discontinued in areas where PNG connectivity is available if consumers fail to switch to piped fuel. It also barred households with active PNG connections from refilling LPG cylinders with immediate effect.

Under the revised rules, consumers opting for PNG are required to either surrender their LPG connection or obtain a transfer voucher within 30 days, enabling them to restore an LPG connection in the future if they relocate to an area not served by a PNG network, according to the official order.

## **CNG retains cost cushion**

Following a cumulative ₹6 per kg increase in compressed natural gas (CNG) prices, Chatiwal said any further revision would depend on

movements in international gas prices. He added that IGL has not fully passed on higher input costs to consumers.

Despite the recent hikes, CNG remains competitively priced compared with petrol and diesel, whose prices have risen by more than ₹7 per litre, Chatiwal said. However, he added that IGL is closely monitoring the economics of electric vehicles (EVs) to ensure that the cost advantage of CNG over EVs does not narrow sharply. "With the recent price increases, the gap between CNG and petrol and diesel has widened further. At the same time, we are keeping a close watch on EVs to ensure that the cost differential between electric mobility and CNG does not become too large," he said.

For 2026-27, IGL has earmarked capital expenditure of ₹2,000 crore, including around ₹500 crore for diversification projects. The planned investments will support expansion of the company's core business, as well as projects such as bidding for a natural gas distribution project in Saudi Arabia, developing compressed biogas plants, and setting up solar power projects, Chatiwal said.

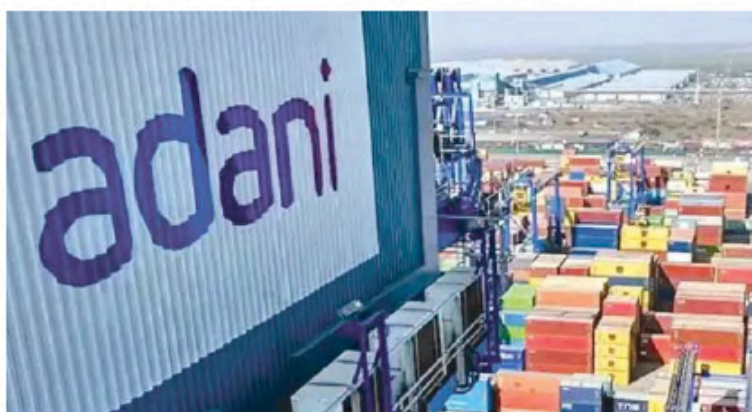
# Adani Ports bags 10-year contract for Argentina's first LNG export project

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**PTI**

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Ashwani Gupta, Whole-time Director and CEO, APSEZ, said, "With marine operations in 12 countries and a growing fleet of marine assets supporting ports, LNG terminals, national oil companies, refineries and offshore facilities, we bring deep operational expertise to complex maritime environments. By combining these capabilities with strong local partnerships, we are helping create reliable maritime ecosystems that enable new energy trade corridors and strengthen long-term supply resilience."

# Adani Ports Bags 10-Yr Deal for Argentina's LNG Export Project

**Press Trust of India**

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**AFTER STRAIT OF HORMUZ REOPENS...**

# Fitch Sees Global Oil Markets Returning to Oversupply

**Mumbai:** Global oil markets are expected to swing back to oversupply once the Strait of Hormuz reopens, despite the sharp price increases triggered by the waterway's closure, according to a new report released by Fitch Ratings.

The ratings agency said the closure

of the strategically important shipping route has created a temporary logistical supply shock rather than a permanent loss of oil production capacity. "The disruption does not alter the longer-term direction of the market, which is expected to return to surplus conditions

later this year," said Fitch Ratings.

The agency's base-case forecast assumes that the Strait of Hormuz will reopen by the end of July, signifying an effective five-month closure. Based on this scenario, it has projected an average Brent crude oil price of \$87 per barrel for 2026. The Strait of Hormuz is one of the



world's most critical energy chokepoints, handling a substantial share of global oil exports. Any disruption to traffic through the passage has significant implications for international energy markets and global economic stability. "The current price spike reflects a temporary logistical supply shock rather than a lasting loss of production capacity," Fitch Ratings said, adding that Brent crude prices are expected

to decline sharply once regular maritime traffic through the strait resumes.

The agency forecasts that global oil markets will return to oversupply from September, supported by rapid recovery in West Asian production, strong supply growth from non-OPEC producers, and the possibility of OPEC increasing output beyond pre-conflict production quotas. —Our Bureau

other two were purchased in 2021 and 2022, respectively. "Since my cars are out of warranty, I bear the expenses from my pocket," he says. "If you read the manual of E10 cars, it says you should not use ethanol-blended petrol above E10. If this is what the manual says, how can anyone assume these cars will not face problems due to E20?" he asks.

SIAM, while responding to the Ministry of Petroleum and Natural Gas' proposal for ethanol blending in 2020, said non-availability of E10 fuel after E20 implementation is a safety issue and a critical concern for existing pool of vehicles. "This may cause material degradation, which could lead to fuel seepage/leakage and, hence, a safety issue. Besides, fuel efficiency loss and poor drivability, especially for low-powered 84 | 2W, will not be acceptable to the customer," it said. "E10 availability for existing vehicles/customers is a must and SIAM would strongly recommend dispensing of E10 fuel even after the E20 deployment."

In 2014, ethanol blending in petrol was 1.53%. In 2022, it was 10%. India achieved the 20% target in July 2025, five years ahead of the 2030 deadline. With the West Asia war causing a spike in crude oil prices, the government is planning to double down on ethanol by mandating 25% blending before the end of the decade.

#### THE OPTION

Indian policymakers who cite Brazil as an example of a successful ethanol programme ignore that over 80% of cars in the south American nation are flex-fuel vehicles. In contrast, India has a large legacy fleet originally engineered for lower ethanol blends. In Brazil, the transition to higher blends happened over three decades.



## AVIATION FUEL ECONOMICS

► This April, the government cleared a regulatory framework that allows ethanol blending in aviation turbine fuel (ATF). India has a mandate for 1% Sustainable Aviation Fuel (SAF) by 2027 under the International Civil Aviation Organization's CORSIA Scheme that begins binding offsets in 2027. Air India has signed an MoU with IOCL for SAF while IndiGo has a public commitment of 10% SAF blending by 2030. BPCL and MRPL are working to add SAF units in existing refineries.

According to IATA, SAF is three times costlier than conventional jet fuel, making widespread adoption financially challenging for airlines. For airlines in India, which typically operate on narrow profit margins, this steep cost differential is a serious obstacle to adoption, finds a KPMG report.

India has significant potential to emerge as

a global leader in SAF production due to its vast and varied biomass resources. It produces over 500 MMT agricultural residue annually, including crop stubble, oilseed byproducts and sugarcane bagasse, which serve as high potential feedstocks for biofuel conversion.

But scaling SAF production requires a well-integrated and reliable supply chain. Seasonal fluctuations, logistical inefficiencies and competition with food crops often disrupt the quality of feedstock. The lack of robust collection systems for agricultural residue and used cooking oil also limit feedstock availability.

SAF production demands significant investment in physical infrastructure. At present, India is working towards establishing biorefineries and advanced blending facilities capable of processing diverse feedstock at scale.

PHOTO BY GETTY IMAGES

SUSTAINABILITY • ALTERNATIVE FUEL

The haste with which the Centre is pushing ethanol cannot be ignored. Union Minister of Road Transport and Highways, Nitin Gadkari, recently warned there is no future for petrol and diesel vehicles, nudging automakers to adopt alternatives such as biofuels.

“We are all for increasing biofuel content in the energy mix. That is a sure-shot way to make ourselves *atmanirbhar* and whether it comes through E25 or through a rapid shift to E85 and E100 (flex fuel), we are for it,” says Harshavardhan Chitale, CEO of Hero MotoCorp.

India’s clean mobility transition, say industry leaders, cannot depend on a single technology. By 2030, India’s car market is expected to swell to nearly six million annually. Even in the most optimistic scenario, EV penetration may reach only 20%. That will still leave nearly 4.8 million internal combustion engine cars. The country’s dependence on imported fossil fuels could deepen instead of easing. The International Energy Agency has already flagged India as a major driver of future fossil fuel demand growth, projecting that more than one-third of global oil demand growth could come from the country.

“This scenario is going to be disastrous not only for the envi-



**HARSHAVARDHAN CHITALE**  
CEO, HERO MOTOCORP

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**VIKRAM GULATI**  
COUNTRY HEAD FOR INDIA,  
TOYOTA KIRLOSKAR MOTOR

**“If you go electric, you are increasing the import bill for EV parts. That is going to reduce when indigenisation happens. But that too is going to take some time”**

| 85

ronment but also the economy. The current account deficit is going to go through the roof,” says Toyota Kirloskar Motor country head Vikram Gulati. “If you go electric, you are increasing the import bill for EV parts. That is going to reduce when indigenisation happens. But that is going to take some time,” he adds.

India’s ethanol blending programme has resulted in foreign exchange savings of about ₹1.59 lakh crore, reduction of 813 lakh metric tonnes of CO emissions, and substitution of 270 lakh metric tonnes of crude oil since 2014, according to government data.

Shailesh Chandra, MD & CEO of Tata Motors Passenger Vehicles, says the government and OEMs have always been working over the years to develop a roadmap for improving the ethanol mix. “We have always been supportive of this move and any further increase.”

**CAUTION ON E25**

While the details of the 2021 study on E20 remain elusive, discussions have already started on a similar testing for E25 on non-compliant

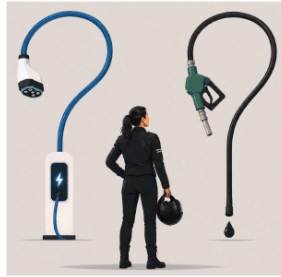
**EVEN IN THE MOST OPTIMISTIC SCENARIO, EV PENETRATION MAY REACH JUST 20%. THAT WILL STILL LEAVE NEARLY 4.8 MILLION ICE CARS**

# How To Be Tankful

*Iran war hots up again. Here's how to make a policy that can insulate India better from energy shocks*

A two-week ceasefire, that stretched to two months, may have lulled us into believing the worst was over. But fresh strikes between Israel and Iran have again exposed the fragility of West Asia and global energy security. Oil has ticked up, and it might pinch our pockets again. This is a risk we have to live with, because alternatives – EVs, and biofuels like ethanol and compressed biogas – aren't ready yet. Yes, all our petrol is blended with 20% ethanol, but note how controversial it is, for a reason.

Most of our cars and bikes made over the past 15 years were designed for only a 10% blend. Outside Delhi and its neighbourhood, even older vehicles are widely used. So, regardless of how much ethanol India can make, we, as consumers, aren't ready for it. Contrast this with Brazil, where any day now, govt is expected to increase mandatory ethanol blending from 30% to 32%. It's not a problem there, because the vast majority of Brazil's vehicles have been flex-fuel since 2003. They can deal with any ethanol blend, from 0-100%.



Brazil could do this because, in 2003, EVs were still in the future. So, its automakers' bet on flex-fuel systems, and the ethanol industry's investments in capacity, paid off. Will the same bets work in India now, when electric vehicles are becoming popular? Last fiscal, 4.5% of all cars sold in India were electric. What if rising fuel prices raise

their share to double digits this year? If the future is electric, is an ethanol push worthwhile, especially when it requires heavily subsidised fertilisers? And what about farmers? They're getting good rates for sugarcane and corn to make ethanol today, but what will they do when demand for petrol-ethanol blends starts tapering? Biogas is another option, but current capacity is negligible. How many years will industry take to scale up, and substitute imported CNG?

That's why making India's energy policy today is like hitting a moving target, but it has to be done. The main lesson from this war is clear – we have to reduce dependence on imported hydrocarbons. Making fertilisers with coal, instead of imported gas, is doable, as China has shown. Similarly, turning organic waste into biogas has no downsides. How we power our vehicles tomorrow is the tricky part. This can't be left to bureaucrats. Govt should consult industry and researchers to make a long-term plan, and then implement it rapidly.

SUSTAINABILITY • ETHANOL

# HOW SUSTAINABLE IS ETHANOL?

THERE ARE CONCERNS REGARDING ETHANOL PRODUCTION, NOT LEAST AMONG THEM THE WATER INTENSITY OF CROPS SUCH AS PADDY, MAIZE AND SUGARCANE THAT CURRENTLY PREDOMINATE THIS SPACE

BY PRASANNA MOHANTY

88 |

**A** S INDIA FACES its biggest energy shock in decades, there are renewed calls to increase ethanol blending in petrol to help reduce crude oil imports and save the country some precious foreign exchange.

The Centre has acted swiftly in this regard, raising ethanol blending from a mandatory 20% (E20) to as much as 30% on a non-mandatory basis in the near term and to 85% and 100% in the future. Plus, it has also allowed ethanol blending in aviation fuel.

However, the measures, along with an order regulating the khand-sari (raw cane sugar) industry, which now stands withdrawn, have raised food security fears afresh.

Unlike in 2020, when the government allowed distilleries to use foodgrains like rice, maize and wheat and expanded soft loans to

meet the E20 target, the risks are now tangible.

Industry data on ethanol supply to public sector oil marketing companies (OMCs) show that grains have overtaken traditional sugarcane as feedstock. From zero in Ethanol Supply Year (ESY) of 2017-18, the share of grains jumped to 59.7% in 2022-23 and to 72.4% in ESY 2025-26. Maize and rice now account for 45.2% and 27.2%, respectively, of the total. The ESY runs from November 1 to October 31.

Besides, there are other concerns regarding ethanol production, not least among them the water intensity of crops such as paddy, maize and sugarcane that currently predominate this space.

The industry, however, is ecstatic considering the new measures. The reason? It had sought an increase in blending to 22% to uti-

## WHY THE SHIFT

Ethanol blending is benefiting farmers, saving forex and reducing carbon footprint

Higher incentive for ethanol is reshaping cultivation and raising water stress

Foodgrains have overtaken sugarcane as ethanol feedstock, risking food security

Farmers are shifting to maize and away from pulses, oilseeds and other cereals

The focus should now be on 2G and 3G ethanol from agri waste and other non-food items



PHOTO BY GETTY IMAGES



89

**SWIFT ACTION** The Centre has raised ethanol blending from mandatory 20% to 30% on a non-mandatory basis in near term

lise surplus capacity of 12-13 billion litres out of 20 billion litres of installed capacity. CK Jain, president of the Grain Ethanol Manufacturing Association, says: “Before grains were allowed, the industry faced shortages as sugarcane supply was not sufficient. Now that that is no longer the case, we have sufficient feedstock and installed

capacity to meet over 30% blending with the switch of a button.”

**FOOD SECURITY SCARE**

To be sure, the concerns about food security are not new. The Economic Survey of 2025-26 had raised an alarm over this matter earlier this year.

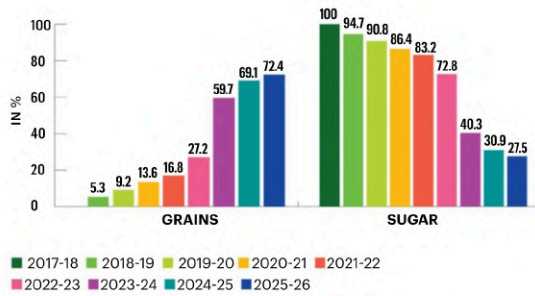
It said expanded ethanol blend-

ing “is increasingly reshaping agricultural incentives” and “has begun to reinforce and accelerate” farmers’ shift to maize from pulses, oil seeds and other cereals, particularly in Maharashtra and Karnataka. “From a food security perspective, the implications are non-trivial”, it said, warning “long-term alterations to cropping

SUSTAINABILITY • ETHANOL

**FEEDSTOCK CHANGE**

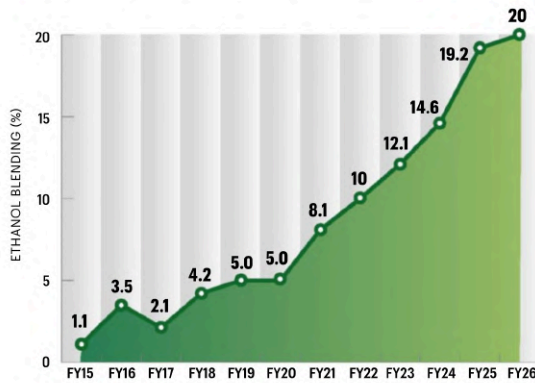
• The use of grains as ethanol feedstock has increased; sugarcane has seen a big dip



SOURCE GRAIN ETHANOL MANUFACTURERS ASSOCIATION, ETHANOL SUPPLY YEAR

**INCREASED BLENDING**

• Ethanol blending in petrol has increased steadily over the years. The Centre now plans to ramp that up



NOTE TILL JAN 31, 2026  
SOURCE RAJYA SABHA REPLY, MAR 9, 2026

patterns and food price dynamics” and calling for “a holistic view of energy security and food security.”

The incentive it refers to is the administered price for ethanol, which is the highest, and rising faster for maize-based ethanol, it added. Farmers in Maharashtra’s water-starved regions continue to grow sugarcane for this reason.

The Survey suggested avoiding market distortions, focus on yield improvements in pulses and oilseeds to make those relatively profitable, and targeted and planned growth in ethanol feedstocks keeping local resources in mind.

Of course, both energy and food security are critical to India.

The country’s import dependence in energy is very high at 90.5% for crude oil, 50% for LNG and 66% for LPG in FY25. Those vulnerabilities have come into sharp focus after Iran virtually closed the Strait of Hormuz amidst its war with the US and Israel. Before the war, a significant amount of India’s energy imports transited through the Strait.

No less is India’s vulnerability in food, with import dependency of 68.6% for fertilisers (FY25), which again transited overwhelmingly through the Strait. Besides, 57% of the population has relied on “free” grains distributed by the central government since 2020.

And yet, as mentioned earlier, there is no denying the fact that current ethanol feedstocks in India are water guzzlers. In 2024, Sanjeev Chopra, Secretary of the Food and Public Distribution Department, caused a flutter when, referring to a government study, he said that one litre of ethanol produced from sugarcane used 3,630 litres of water while that from maize used 4,670 litres and rice 10,790 litres.

For its part, the government has highlighted forex savings from

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ethanol blending. The Centre told Parliament in April that between ESY 2014-15 and February 2026, it enabled faster payment of ₹1.5 lakh crore to farmers, saved over ₹1.7 lakh crore in forex, reduced carbon dioxide emission by 86.9 million tonnes and substituted over 28.9 million tonnes of crude oil.

Water and energy experts, however, advise caution against short-term gains.

K. J. Joy of Pune-based non-profit Society for Promoting Participative Ecosystem Management, notes: "Large-scale diversion of crop land for ethanol feedstock will definitely impact food and water security" and, hence, India needs an integrated approach to energy keeping food and water at its core.

Gopal Sarangi of TERI School of Advance Studies says: "The trade-off between food and energy security needs a fine balance as it involves competing demands on food, fodder, water and land. More so since ethanol blending is highly profitable for farmers and industry." India must find this balance at national or state levels, he adds, and that requires a database to determine the threshold beyond which the balance will be disturbed.

Sarangi accords higher priority to food security by arguing that India has multiple green energy choices.

**THE ALTERNATIVES**

It's not that the choice in India is only between imported crude oil and gas and ethanol. Apart from alternatives like renewable energy, nuclear power, and green hydrogen, there are options even in ethanol.

Debasis Das, Professor at the Indian Institute of Technology, Guwahati, points to second- and third-generation (2G and 3G)



**DEBASISH DAS**  
PROFESSOR, IIT GUWAHATI

**"We need more 2G and 3G plants. We must also develop technology for other non-food feedstocks like rice husk, wheat straw, bagasse, Napier grass and wood waste"**



**CK JAIN**  
PRESIDENT, GRAIN ETHANOL MANUFACTURERS ASSOCIATION

**"Before grains were allowed, the industry faced shortages as sugarcane supply was not sufficient. Now... we have sufficient feedstock and installed capacity to meet over 30% blending target"**

ethanol plants that use non-food feedstock, eliminating risks to food security.

Three 2G ethanol plants are operational currently: Indian Oil's Panipat and Bharat Petroleum's Bargarh plants use paddy straw and Numaligarh Refinery uses bamboo. Hindustan Petroleum is building another at Bathinda to use paddy straw. Indian Oil also runs a 3G plant at Panipat that uses refinery off-gas.

Das tells *Business Today*: "These are exciting developments that take the load off grains. We need more 2G and 3G plants. We must also develop technology for other non-food feedstocks like rice husk, wheat straw, bagasse, Napier grass and wood waste."

To be sure, some other avenues have been tested in the country. Maharashtra made bamboo blending in thermal plants mandatory in 2025; it has approved a bamboo-to-methanol plant in Chandrapur. Two private firms produce green electricity and hydrogen through coal gasification.

At least 50 compressed biogas plants use agriculture residue, cattle dung, municipal solid waste, etc., for blending with CNG and PNG. Attempts are on to substitute imported palm stearin oil with used cooking oil for bio-diesel blending.

India need not rush with higher ethanol blending and create new vulnerabilities. Its role model, Brazil, started on this journey in 1975, and took 50 years to make E30 mandatory in 2025, despite rolling out E100-compliant cars in 1979. Though launched in 2003, India's ethanol blending began about a decade ago.

The country must tread cautiously and explore all options to ensure that addressing one vulnerability does not create others. ■

92 |

## अदाणी पोर्ट्स को अर्जेंटीना की एलएनजी निर्यात परियोजना के लिए मिला समुद्री सेवा कॉन्ट्रैक्ट

एजेंसी ■ अहमदाबाद

अदाणी पोर्ट्स एंड स्पेशल इकोनॉमिक जोन लिमिटेड (एपीएसईजेड) ने सोमवार को कहा कि उसे अर्जेंटीना की पहली द्रवीकृत प्राकृतिक गैस (एलएनजी) निर्यात परियोजना के लिए 10 साल का समुद्री सेवा अनुबंध (कॉन्ट्रैक्ट) मिला है। इस उपलब्धि के साथ कंपनी ने दक्षिण अमेरिका में अपना प्रवेश कर लिया है और अंतरराष्ट्रीय समुद्री सेवाओं के क्षेत्र में अपनी मौजूदगी को और मजबूत किया है। साथ ही इससे भारत और अर्जेंटीना के बीच बढ़ते ऊर्जा संबंधों को भी मजबूती मिलेगी। भारत की सबसे



बड़ी एकीकृत परिवहन उपयोगिता कंपनी ने बताया कि यह कॉन्ट्रैक्ट उसकी स्टेप-डाउन सहायक कंपनी अदाणी हार्वर इंटरनेशनल एफजेडसीओ को अर्जेंटीना की मेरिडियन ग्रुप के साथ गठित एक कंसोर्टियम के माध्यम से मिला है, जो सदरन एनर्जी एसए द्वारा आयोजित वैश्विक प्रतिस्पर्धी निविदा प्रक्रिया के बाद किया गया। अदाणी समूह और

मेरिडियन ग्रुप का यह कंसोर्टियम सदरन एनर्जी एफएलएनजी परियोजना के लिए समुद्री सेवाएं उपलब्ध कराएगा। इस परियोजना में लगभग 7 करोड़ डॉलर के निवेश की प्रतिबद्धता शामिल है।