The Ministry of Heavy Industries (MHI) has not formulated any separate phased national policy to incentivize flex-fuel vehicles operating on fuel blended with more than 20% ethanol

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Production Linked Incentive scheme for Automobile & Auto Components (PLI-Auto scheme) is implemented on an all-India basis. The current status of implementation of PLI-Auto scheme is as below:-

Parameter	Cumulative till 31.03.2026
Investment (Rs. cr)	44,326
Incremental Sales (Base Year FY2019-20) (Rs. cr)	52,414
Employment generated (Nos.)	67,820
Incentive disbursed (Rs. cr)	2,386.36

To boost domestic manufacturing and localisation of AAT products, PLI-Auto scheme mandates minimum Domestic Value Addition (DVA) of 50% for availing incentives. As on 28.07.2026, 18 applicants have received DVA certificates for 155 AAT products/variants.

The Ministry of Heavy Industries (MHI) has not formulated any separate phased national policy to incentivize flex-fuel vehicles operating on fuel blended with more than 20% ethanol.

MHI has not conducted any study regarding incentivization of flex-fuel and electric vehicles.

The government has adopted a balanced approach to the Ethanol Blended Petrol (EBP) Programme, ensuring that water sustainability, food security and farmers' interests remain paramount. Under the National Policy on Biofuels, ethanol is produced from multiple approved feedstocks, including sugarcane-based feedstocks, maize, damaged foodgrains, broken rice, foodgrains unfit for human consumption, surplus foodgrains approved by the National Biofuel Coordination Committee (NBCC) and other approved agricultural feedstocks.

The government is also promoting crop diversification towards comparatively less water-intensive feedstocks such as maize. An Expert Committee constituted by Ministry of Agriculture & Farmers Welfare in 2024 examined the water requirement of various ethanol feedstock crops & its recommendations are being considered while implementing the programme.

Water-use efficiency is also being enhanced through micro-irrigation, drip irrigation and other water conservation measures under the Per Drop More Crop component of the Pradhan Mantri Krishi Sinchayee Yojana. Many sugar mills are also encouraging farmers to adopt water-efficient cultivation practices.

Molasses-based distilleries with incineration boilers and grain-based distilleries are required to operate as Zero Liquid Discharge (ZLD) units, enabling recycling and reuse of process water while eliminating liquid effluent discharge.

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