

**GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION**

**LOK SABHA
UNSTARRED QUESTION NO. 1201
TO BE ANSWERED ON 9th February, 2021**

ENHANCING ETHANOL DISTILLATION

**1201. SHRI P.V. MIDHUN REDDY:
SHRI KURUVA GORANTLA MADHAV:
DR. BEESETTI VENKATA SATYAVATHI:
SHRI SRIDHAR KOTAGIRI:
SHRI M.V.V. SATYANARAYANA:
SHRI BHAGWANATH KHUBA:
MS. PRATIMA BHOUMIK:**

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government has recently notified the modified scheme to enhance ethanol distillation capacity in the country for producing 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc;**
- (b) if so, the details thereof along with the current production of 1st Generation ethanol in the country at present;**
- (c) whether the Government has advised the State Governments to promote this scheme;**
- (d) if so, whether the State Governments are being given any incentive to promote this scheme; and**
- (e) if so, the details thereof?**

A N S W E R

MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

(SHRI DANVE RAOSAHEB DADARAO)

(a) & (b): Government has notified scheme for extending financial assistance to project proponents for enhancement of ethanol distillation capacity or to set up distilleries for producing 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc. vide notification dated 14.01.2021. Under the scheme, Government would bear interest subvention for five years, including one year moratorium, against the loan availed by project proponents from banks @ 6% per annum or 50% of the rate of interest charged by banks, whichever is lower, for setting up of new distilleries; expansion of existing distilleries; converting existing distilleries to dual feedstock; setting up of new dual feed distilleries; expansion of existing dual feed distilleries; and installation of Molecular Sieve Dehydration (MSDH) column etc.

During previous Ethanol Supply Year (ESY) 2019-20 (December-November), about 173 crore litre of ethanol was supplied by sugar mills and distilleries to Oil Marketing Companies (OMCs). In the current ESY 2020-21, against Letter of Intent (LoI) quantity of 324.69 crore litre and contracted quantity of 269.88 crore litre, about 48.73 crore litre of ethanol has been supplied to OMCs, as on 01.02.2021.

(c) to (e): State Governments/ UTs have been advised to promote the scheme to the entrepreneurs and encourage them to participate in the scheme so that the target set by the Government could be achieved well within the timeline. State Governments have also been requested to facilitate entrepreneurs in arranging land for the project, getting early environment clearance etc. in setting up of distilleries. In this regard, webinars/meetings have been organised with State Governments/ UTs, industry, concerned departments of Central Government and other stakeholders.

As stated in reply to part (a) & (b) above, interest subvention would be provided to project proponents, who will participate in the scheme.
