

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

LOK SABHA
UNSTARRED QUESTION NO. 3172
TO BE ANSWERED ON 11TH MARCH, 2026

SETTING UP OF AN ETHANOL PLANT

3172. DR. RABINDRA NARAYAN BEHERA:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a): whether the Government has any plan for setting up of an ethanol plant in Bari area; and
(b): if so, the details thereof and if not, the reasons for not setting up the same?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a) & (b): Central Government does not set up ethanol plant/distillery in any part of the country. Any entrepreneur can set up the distillery in the country, keeping in view techno-economic viability of the project, by getting required permissions/clearances from Central & concerned State/UT Governments.

In order to augment the capacity of ethanol production in the country to meet the blending targets set under Ethanol Blended with Petrol (EBP) Programme, Government of India has introduced various Ethanol Interest Subvention Schemes since 2018 to 2022 (in 2021 Ethanol production from grain was also included under these schemes), to encourage Sugar Mills/Distilleries to enhance ethanol production capacities by setting up of new distilleries or expansion of existing distilleries throughout the country. An ethanol interest subvention scheme for Cooperative Sugar Mills was also notified in 2025 with an application window of 6 months for conversion of their existing sugarcane based plants into multi-feed based ethanol plants.

Under all these interest subvention schemes, Government is facilitating project proponents to avail loans from banks for which interest subvention @ 6% or 50% of the interest charged by the banks/financial institutions whichever is lower is being borne by Government for the period of five years including one year of moratorium.
