

**1(10)/2018-SP-I**  
**Government of India**  
**Ministry of Consumer Affairs, Department of Food and Public Distribution**  
**Department of Food and Public Distribution**

**Krishi Bhawan, New Delhi,**  
**Dated the 26<sup>th</sup> April, 2022**

To,

1. Director General, ISMA
2. Managing Director, NFCSF
3. Chief Executive Officer, AISTA
4. Director General, AIDA

**Subject:** Opening a window for six months for inviting applications from Project Proponents to set up new Distilleries or expansion of existing Distilleries to produce 1-G ethanol -reg.

Sir,

As you are aware that with the vision to boost agricultural economy, to reduce dependence on imported fossil fuel, to save foreign exchange on account of crude oil import bill & to reduce the air pollution, Government has fixed target of 10% blending of fuel grade ethanol with petrol by 2022 & 20% blending by 2025. Further, with a view to increase production of ethanol and its supply under Ethanol Blended with Petrol (EBP) Programme, especially in the surplus season and thereby to improve the liquidity position of the sugar mills enabling them to clear cane price arrears of the farmers, notified a modified scheme namely- "Scheme for extending financial assistance to project proponents for enhancement of their 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 No. S.O. 148(E) dated 14.01.2021 (copy enclosed).

2. Now, it has been decided with the approval of competent authority to open a window **for six months** under the said modified scheme dated 14.01.2021 for inviting applications from those Project Proponents (PPs), who have acquired land for ethanol project and obtained Environmental Clearance (EC) for enhancement of their existing ethanol distillation capacity or to set up new distillery for producing 1st Generation (1G) ethanol. In this regard, copy of **Gazette Notification dated 22.04.2022** is enclosed herewith.

3. This Department has also set up a helpline number **(011-23383573)** and a dedicated email ID **([ethanol.fpd@gov.in](mailto:ethanol.fpd@gov.in))** to resolve the queries of PPs. However, the time to get the queries resolved on the said helpline number is 10:00 AM to 5:00 PM on the weekdays only.

4. Further, to address financing issues of projects under Standard Operating Procedures (SOP)/Guidelines issued by banks, it is informed that disbursement of loan as per Standard Operating Procedures issued by banks would be applicable to Project Proponents (PPs) which have received in-principle approval of DFPD & where Tri-partite Agreement (TPA) has been signed between banks, PPs & OMCs. Further, PPs having DFPD's in principle approval but not having TPA can be extended loans as per normal financing norms.

Contd...Pg.2/-

5. In view of above, it is requested to promote the aforesaid scheme and encourage your members to participate in the scheme so that the ethanol blending target set by the Government could be achieved well within the timeline. Chief Secretaries of all State/UT Governments have also been requested to promote the scheme to the entrepreneurs of their State/UT and encourage them to participate in the scheme so that the target set by the Government could be achieved well within the time line. State/UT Governments have also been requested to facilitate entrepreneurs for enhancement of their existing ethanol distillation capacity or to set up new Distillery. If any entrepreneur faces any difficulty, the same may be intimated to DFPD at email address [ethanol.fpd@gov.in](mailto:ethanol.fpd@gov.in) so that those can be resolved in a time bound manner.

Encl: As Above.

Yours faithfully,

26.4.22

(Subodh Kumar Singh)

Joint Secretary to the Govt. of India

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Copy to:

1. Joint Secretary (Refinery), M/o Petroleum and Natural Gas.
2. Chief Director, DSVO.