

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:2835  
ANSWERED ON:12.12.2005  
POOR RESPONSE TO SDF  
Rao Shri Sambasiva Rayapati

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

- (a) the total funds provided to sugar factories for modernisation and expansion from Sugar Development Fund (SDF) during the last three years, year-wise;
- (b) whether there has been a poor response from the sugar industry to the SDF;
- (c) if so, the reasons therefor; and
- (d) whether the Government proposes to ease the conditions involved in procuring loans to improve the utilisation of the said fund?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION ( DR. AKHILESH PRASAD SINGH )

(a): The total funds provided to the sugar factories for modernization and expansion from the Sugar Development Fund during the last three years are as under:

(Rupees in Crores)

2002-03 2003-04 2004-05

Sanctioned	39.88	130.29	24.55
Disbursed	92.19	44.36	103.90

(b): No, Sir.

(c): Do not arise.

(d): The loans from the Sugar Development Fund are allowed to eligible Sugar Mills for, interalia, expansion of capacity, modernization/rehabilitation of plant and machinery as well as technological upgradation. In order to encourage sugar mills to avail loans from the Sugar Development Fund, the rate of interest on loans from this Fund has been reduced to two percent below the Bank Rate with effect from 21.10.2004. Besides, the guidelines have also been revised to make sugar mills eligible for loans under this fund for expansion of capacity upto 10,000 TCD. Sugar Mills have also been made eligible for obtaining loan for production of ethanol and production of power from bagasse.