

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

UNSTARRED QUESTION NO:1345  
ANSWERED ON:27.10.2008  
CESS FROM SUGAR FACTORIES  
Patel Shri Kishanbhai Vestabhai;Sai Shri Nand Kumar;Singh Shri Sugrib

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

- (a) whether the Government has been collecting cess from sugar factories under the Sugar Cess Act, 1982;
- (b) if so, the details of funds collected during the last three years and the current year, year-wise;
- (c) whether the funds allocated for development of sugar factories has been fully utilized during the said period;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor; and
- (f) the steps taken by the Government for optimum utilization of such funds?

**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): Yes Sir.

(b):

Year    Amount of Cess collected (Rs. In lakh)

2005-06    11214.50

2006-07    21600.01

2007-08    26370.28

2008-09    25187.00 (upto August, 2008)

(c)&(d): Scheme-wise position of funds allocated and disbursed is given in the Annexure.

(e): Non-utilisation of funds during the past years was primarily due to the failure of factories to furnish adequate security for the SDF loans and delay in completion of necessary documentation by the sugar factories for disbursement. Further, for ethanol plants non-utilisation is also attributable to uncertain market of ethanol resulting in lesser number of applications by the sugar factories than expected.

(f): In order to ensure optimum utilization of allocated funds the Government have taken remedial measures like amending the Sugar Development Fund Rules, 1983 in respect of furnishing bank guarantee as security and permitting the sugar factories to create charge on their assets, compulsory blending of ethanol with petrol has been raised from 5% to 10% to improve demand for ethanol, fixing reduced time limits for the sugar factories for availing the sanctioned loans and laying down of bench-marks to decide the nature of security in advance.