

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

UNSTARRED QUESTION NO:341

ANSWERED ON:02.08.2011

LOANS FOR SUGAR MILLS

Majumdar Shri Prasanta Kumar; Tirkey Shri Manohar

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

(a) whether the Government has any proposal for providing concessional loans from the Sugar Development Fund to the sugar mills which have their own distilleries for developing facilities for production of ethanol;

(b) if so, the details thereof; and

(c) the time by which it is likely to be implemented?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): Government is already providing concessional loans from the Sugar Development Fund to the sugar mills for production of Anhydrous Alcohol or Ethanol from molasses.

(b): A Sugar factory having an installed capacity of 2500 tonnes crush per day or higher and implementing a project appraised and approved for financial assistance by a Financial Institution or a Scheduled Bank is entitled to loans from SDF provided it undertakes to meet at least ten percent of the cost of the project from its own resources as part of the promoters' contribution required by Financial Institution or Scheduled Bank. The loan may extend upto 40 % of the project cost and carries a concessional rate of simple interest of 2% below the Bank rate.

(c): Does not arise in view of (a) above.