

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

UNSTARRED QUESTION NO:5739

ANSWERED ON:30.04.2013

LOANS TO SUGAR MILLS

Raghavan Shri M. K.

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

(a) whether the Government provides loans to the sugar mills;

(b) if so, the details thereof along with the purpose for which the same is to be utilised by the mills indicating the number of mills benefitted, quantum of loans provided during each of the last three years and the current year and the present status of their repayment;

(c) whether the said loans were utilised for the purpose they were provided; and

(d) if so, the details thereof and if not, the action taken against those held responsible for the diversion?

**Answer**

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

(a) & (b) Yes, Madam. The Central Government provides soft loans at a concessional rate of 2% below the Bank rate under the provision of Sugar Development Fund Rules, 1983. Among other purposes as prescribed in Sugar Development Fund Act, 1982, for which the Fund can be applied, the following types of loans can be given to the sugar factories from the Fund:

i) Loans for facilitating the rehabilitation and modernization of any sugar factory or any unit thereof.

ii) Loans for undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated.

iii) Loans to any sugar factory or any unit thereof for bagasse based cogeneration power projects with a view to improving their viability.

iv) Loans to any sugar factory or any unit thereof for production of anhydrous alcohol or ethanol with a view to improving their viability.

The details of number of mills benefitted, quantum of loans provided during each of the last three years and the current year and the present status of their scheduled repayment are annexed.

(c) & (d): Yes, Madam. Certificates of utilisation of SDF loans for the purpose for which those were sanctioned are obtained in confirmation of the same.