

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4547

ANSWERED ON:21.02.2014

INTEREST FREE LOANS TO SUGAR MILLS

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Yadav Shri Dharmendra

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has provided/proposes to provide a comprehensive relief/bailout package as sought/requested for by the sugar industry in the country;
- (b) if so, the details thereof;
- (c) whether the Government has issued instructions to the Public Sector Banks (PSBs) to incorporate provision of interest free loans to sugar mills in the said package;
- (d) if so, the details thereof and the amount of interest free loan distributed to the sugar mills during the last three years in the country bank, mill and State/UT-wise;
- (e) whether some banks have not yet complied with the said instructions of the Government; and
- (f) if so, the details thereof, bank-wise along with the action taken/being taken by the Government thereon?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (f) The Central Government, with a view to improve the liquidity position of sugar factories for enabling them to clear cane price arrears of previous sugar seasons and timely settlement of cane price of current sugar season relating to the Fair and Remunerative Price (FRP) fixed by the Central Government, to the sugarcane farmers, has notified a Scheme namely 'Scheme for Extending Financial Assistance to Sugar Undertakings, 2014 (SEFASU)' on 3rd January, 2014.

The Indian Banks Association has also circulated on 17th January, 2014 to its Member Banks, the Operational Guidelines issued by Government on 9th January, 2014 for implementing the Scheme. The National Bank for Agriculture and Rural Development (NABARD) have also circulated these Guidelines to Cooperative Banks/Regional Rural Banks on 28th January, 2014.

The status of applications submitted to banks for loans under SEFASU, 2014 was reviewed with CEOs/representatives of select major banks on 7th February, 2014. The Banks informed that they have no information on refusal of any loan application under SEFASU, 2014. However, the Banks were advised to process all the loan applications well within the time-limit prescribed under the Scheme and to ensure that the refusal of loan applications, if any, should not be without sound reasons for the same.