

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

UNSTARRED QUESTION NO:224

ANSWERED ON:24.02.2015

FINANCIAL ASSISTANCE FOR SUGAR MILLS

Kothapalli Smt. Geetha;Shetti Shri Raju alias Devappa Anna

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

- (a) whether the Government has extended financial assistance to sugar mills to facilitate clearance of cane price arrears/dues of sugarcane farmers;
- (b) if so, the details thereof indicating the funds allocated and disbursed during the last one year, State-wise;
- (c) whether some sugar mills have failed to clear their dues despite availing the said facility; and
- (d) if so, the details thereof and the action taken against such mills and to check diversion of funds?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a) & (b) In order to facilitate clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of sugar season 2013-14 to sugarcane farmers, Central Government on 03.01.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging additional working capital loans to sugar mills with interest subvention. As per the information received from the nodal bank i.e. State Bank of India, as on 19.02.2015, loans amounting to Rs.6861.69 crores have been sanctioned and out of this, loans worth Rs.6655.10 crores have been disbursed under the scheme. State-wise details of funds sanctioned and disbursed under the scheme are annexed.

(c) & (d) Under the scheme, the quantum of loan has been equivalent to last three sugar season's excise duty, cess and surcharge on sugar paid by the mill including notional equivalence for exports or availed Cenvat and not linked with the cane price dues of the mills. Therefore, despite availing loans under the scheme, sugar mills are having cane price arrears of Rs. 2525.87 crores for the sugar season 2013-14. Further, loans availed under the scheme are to be used for clearance of cane price arrears and can not be diverted for any other purpose. Also, in so far as cane price arrears with sugar mills are concerned, the Sugarcane (Control) Order, 1966 contains necessary provisions for timely payment of cane price to sugarcane farmers for sugarcane supplied by them to sugar mills, and the powers for enforcing the provisions relating to payment of cane price dues are delegated and vested with the State Governments who have the necessary field formations. The Central Government has from time to time advised the State Governments/UTs to ensure timely payment of cane dues to the farmers and to take action against the defaulting sugar mills.