

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

UNSTARRED QUESTION NO:3348

ANSWERED ON:06.12.2016

Sugar Development Fund Rule, 1983

Dhotre Shri Sanjay Shamrao; Kesineni Shri Srinivas; Mahtab Shri Bhartruhari; Nagar Shri Rodmal; Patil Shri Kapil Moreshwar; Singh Shri Satya Pal

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

- (a) the salient features of the Sugar Development Fund (SDF) Rule, 1983 along with the number of potentially viable sick sugar mills which benefited from it across the country during each of the last three years and the current year, State-wise;
- (b) whether the Government has conducted any study to ascertain the number of such sugar mills across the country during the said period, if so, the details and the outcome thereof, State-wise along with the implementation status of the findings/recommendations of such a study;
- (c) whether the Government has received proposals for restructuring SDF loans of such mills during the said period, if so, the details thereof, State-wise;
- (d) the details of sick or closed sugar mills during the last three years and the plan of Government to revive/open new sugar mills to increase production; and
- (e) the details of the complaints received on the problems being faced by the sugar industry and the corrective steps taken in this regard including financial assistance provided to sugar mills and Undertakings during the said period?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a): Under the Sugar Development Fund (SDF) Rules 1983 the proceeds of the sugar cess levied and collected under Sugar Cess Act, 1982 are utilized by the Government of India for various types of financial assistance to Sugar Industry/farmers including in the form of loans for Modernisation /rehabilitation, sugarcane Development, Bagasse based Cogeneration power project, Ethanol production from molasses, setting up plant for Zero Liquid Discharge and interest subvention to the sugar factories towards interest on loans in terms of any scheme approved by the Government from time to time. The full text of the SDF rules is available on the Department's website www.dfpd.nic.in

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The SDF Rules, inter alia, also provide for loans for potentially viable sick sugar undertakings for rehabilitation/ modernisation and sugarcane development as well as restructuring of SDF loans, based on the recommendation / scheme of the Board for Industrial and Financial Reconstruction (BIFR) in the case of private sector sugar mills and Committee for Rehabilitation (COR) in the case of Cooperative sugar undertakings.

During the said period, SDF loan of only one sugar mill namely M/s Khalilabad Sugar Mills Pvt. Ltd. Khalilabad, Distt- Sant Kabir, Nagar, Uttar Pradesh, has been restructured.

(b): No Madam.

(c): As per the SDF Rules the Government of India considers the proposals for restructuring of the SDF loans on the recommendation of the Board for Industrial and Financial Reconstruction (BIFR) in case of private sector sugar undertakings and Committee for Rehabilitation (COR) in case of cooperative sugar undertakings. During the said period no such proposal has been received through BIFR /COR.

(d): State-wise closed sugar mills during last three sugar seasons i.e. 2013-14, 2014-15, 2015-16 and sick sugar mills is given in Annexure-I.

SDF Rules already provide for grant of loan to the new /existing sugar factories for various schemes to increase production as well as have provision for restructuring of SDF loan to revive potentially viable sick sugar undertakings

(e): Communications have been received from individuals/firms regarding the problems faced by sugar industry/mills during last three years due to fall in sugar prices resulting in financial crisis and difficulties in the payment of Fair & Remunerative Prices (FRP). Requests have been made to announce some relief package for sugar industry and rescheduling of SDF loans and other outstanding loans.

2. Government has taken the following measures in the last three years :

- (i) Extended financial assistance to sugar undertakings under SEFASU-2014 scheme and under soft loan scheme-2015;
- (ii) Provided financial assistance through raw sugar export incentive scheme; Rs.425 crore was disbursed under the scheme.
- (iii) Facilitated supply of ethanol under Ethanol Blended with Petrol (EBP) programme by fixing remunerative price and waiving off excise duty on supply of ethanol during sugar season 2015-16 (up to 10th August, 2016).
- (iv) A comprehensive performance based production subsidy was notified @ Rs. 4.50 per quintal of cane crushed payable to farmers against their cane dues contingent on mill undertaking export and supplying of ethanol.

These interventions have helped in reducing the cane price arrears of farmers for sugar season 2014-15 from a peak of Rs. 21,837 crore to Rs. 535 crore. Similarly, in respect of arrears of sugar season 2015-16, the sugar mills have already cleared about 98.5% of their cane dues payable on FRP basis, which is significantly higher as compared to the last few years.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE STARRED QUESTION NO. 3348 DUE FOR ANSWER ON

06.12.2016 IN THE LOK SABHA

Statement showing State-wise closed sugar mills during last three sugar seasons i.e. 2013-14, 2014-15 & 2015-16 and sick sugar mills.

SI No

State

Sugar Season 2013-14

Sugar Season 2014-15

Sugar Season 2015-16

No. of sick sugar mills

($\text{\$}$)

Closed no. of sugar mills

Closed no. of sugar mills

Closed no. of sugar mills

1

Andhra Pradesh

9

11

14

11

2

Assam

3

3

3

0

3

Bihar

17

17

17

1

4

Chhattisgarh

0

0

0

0

5

Goa

0

0

0

1

6

Gujarat

7

10

8

1

7

Haryana

2

2

2

6

8

Karnataka

13

12

13

17

9

Kerala

2

2

2

0

10

Madhya Pradesh

7

8

8
2
11
Maharashtra
68
60
67
66
12
Nagaland
1
1
1
0
13
Odisha
3
5
5
2
14
Puducherry
0
0
1
0
15
Punjab
8
8
8
7
16
Rajasthan
2
2
2
0
17
Tamilnadu
4
3
4
2
18
Telangana
1
1
4
0
19
Uttar Pradesh
39
40
41
13
20
Uttranchal
1
1
2
7
21
West Bengal
1
2
2
0
22
Dadra Nagar & Haveli
1

1
1
0

Total
189
189
205
136

(\$) As intimated by the Board for Industrial and Financial Reconstruction (BIFR) and National Bank for Agriculture and Rural Development (NABARD)
