

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3331
ANSWERED ON:01.08.2014
INTEREST FREE LOAN TO SUGAR MILLS
Chautala Shri Dushyant

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, State-wise;
- (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 (Smt. Nirmala Sitharaman)

(a)to (f) : Scheme for Extending Financial Assistance to Sugar Undertakings, 2014 (SEFASU, 2014) was notified by the Government on 3rd January 2014 with a view to improve the liquidity position of sugar factories for clearing cane price arrears of previous seasons and timely settlement of cane price of current season.

The Operational Guidelines of the Scheme were issued to banks on 9th January 2014.

Under SEFASU, 2014, loans sanctioned by 30th June 2014 and disbursed by 30th September 2014 by the lending banks, pursuant to notification of the Scheme, are eligible for interest subvention upto 12% or at the actual rate charged by the banks, whichever is lower.

As reported by State Bank of India(SBI), which is the nodal bank for SEFASU,2014, as on 18.7.2014, under the Scheme, a total of 356 sugar mills have been sanctioned loans amounting to Rs.5914.40 crore. The State-wise details are given in Annexure.