

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4480
ANSWERED ON:19.12.2014
SUGAR MILLS
Khan Shri Md. Badariddoza

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 along with the number of sugar mills defaulted /outstanding loans by banks during the last three years and the current year, State-wise; and
- (c) the steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance (Shri Jayant Sinha)

(a): The 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.

(b) & (c): 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, were eligible for interest subvention up to 12% or at the actual rate charged by the banks, whichever was lower. The Scheme provides for moratorium period of 2 years, thereafter the repayment will be made over a period of three years.

As reported by State Bank of India (SBI), which is the nodal bank for SEFASU, 2014, a total of 453 mills have been sanctioned loans amounting to Rs.6616.34 crore, out of which Rs.6420.09 crore have been disbursed to 443 mills under the said scheme. The State-wise details of sanction and disbursement under SEFASU, 2014 are given in Annexure.

As reported by SBI, there were 3 sugar mills in Uttar Pradesh and 1 each in West Bengal, Maharashtra and Karnataka, which had defaulted/outstanding loans during the last three years.