

Banks disburse ₹6,420 crore to 443 sugar mills for payments to farmers

New Delhi, Dec 19: Banks have disbursed ₹6,420 crore in interest-free loans to 443 sugar mills for clearing the payment to sugarcane farmers, Parliament was informed on Friday.

In December, the Cabinet Committee on Economic Affairs (CCEA) had approved ₹6,600 crore interest-free loans to the industry exclusively for clearing sugarcane arrears.

"The scheme for extending financial assistance to sugar undertakings (SEFASU) was notified by the government on January 3, 2014, with a view to improving the liquidity position of sugar factories for clear-

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ing cane price arrears of previous seasons and timely settlement of cane price of the current season," MoS for finance Jayant Sinha said. The sugar season runs from October to September. The scheme provided for a moratorium period of two years, thereafter repayment would be made over a pe-

riod of three years, he said in a reply in the Lok Sabha.

"As reported by the State Bank of India, which is the nodal bank for SEFASU, a total of 453 mills have been sanctioned loans amounting to ₹6,616.34 crore, of which ₹6,420.09 crore have been disbursed to 443 mills under the

said scheme," Sinha said.

According to the data, 130 mills in Maharashtra got loans worth ₹2,082.21 crore, while 89 mills in Uttar Pradesh received ₹1,863.73 crore.

Maharashtra and Uttar Pradesh are the top two sugar producing states in India, which is the world's second largest producer after Brazil.

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