

Statement-II

**GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY AND
PROMOTION**

**PRESS NOTE NO. 1
(1997 Series)**

Subject: Guidelines for considering applications for industrial licences for sugar factories

The Government of India have reviewed the Guidelines for licensing of new and expansion of existing sugar factories issued vide this Ministry's Press Note No. 16 (1991) dated 8.11.91. The existing guidelines need revision in order to take into account the changes in the business scenario following economic liberalisation, the need for introducing simplified and transparent procedures and the technological changes that have taken place in the sugar industry over the years. In suppression of the aforesaid Press Note, Government have now formulated the following revised guidelines .

- (i) New Sugar factories will continue to be licensed for a minimum economic capacity of 2500 tonnes cane crushed per day (TCD). There will not be any maximum limit on such capacity .
- (ii) Preference in licensing would be given to the proposals involving larger capacity, modern technology and development of integrated complex producing value added products and co-generation of power.
- (iii) For the consideration of application, a revenue district will be taken as the unit. In case more than one application is received for any unit of operation, other things being equal, priority will be given to the applications received earlier.
- (iv) Licences for new sugar factories will be issued subject to the condition that the distance between the proposed new sugar factory and an existing / already licensed sugar factory should be not less than 15 kilometres.
- (v) The basic criterion for grant of licences for new sugar units would be cane availability or the potential for the development of sugarcane or both.
- (vi) Other things being equal, preference in licensing will be given to the proposals for the Growers' Cooperative Societies. However, industrial licence issued to such a cooperative cannot be transferred to any other entity.
- (vii) All applications for grant of expansion of the existing factories will be cleared automatically.
- (viii) Applications for the grant of industrial licences for the establishment of new sugar factories as well as expansion of existing units should be submitted to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy & Promotion, Ministry of Industry, New Delhi in Form IL, along with the prescribed fee of Rs. 2500/-. The applications received for grant of licences would be referred by SIA to the Department of Food and the concerned State Governments/UTs for their comments. If no comments are received from either Department of Food or the concerned State Governments/UTs within one month after their comments are asked for, it shall be deemed that they have no comments to offer. The Licensing Committee would thereafter consider the application for industrial licence and make appropriate recommendations.

B. The procedure and guidelines, as given above are brought to the notice of the entrepreneurs for their information and guidance.

(ASHOK KUMAR)

Joint Secretary to the Government of India

F. No. 10(20)/96-LP

New Delhi, the January 1997.

Forwarded to the Press Information Bureau for giving wide publicity to the contents of the above Press Note .

Press Information Officer,
Press Information Bureau,
NEW DELHI.

[Translation]

Crop Insurance Scheme

443. SHRI ASHOK ARGAL:

SHRI SHIVRAJ SINGH CHAUHAN:

Will the Minister of FINANCE be pleased to state :

(a) whether there is a provision in the Crop Insurance Scheme to open compulsorily the bank accounts of all the farmers who have taken loan or not ;

(b) whether the nationalised banks have refused to open such accounts ;

(c) if so, the reasons therefor and the steps taken by the Government in this regard;

(d) whether the Gram Panchayats have been adopted as a unit in Crop Insurance Scheme ;

(e) if so, whether the Gram Panchayat-wise data of last five years is available; and

(f) if not, the basis on which the benefit of the scheme is likely to be given to the farmers ?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) to (f) The information is being collected and will be laid on the Table of the House.

[English]

NABARD Loans

444. SHRI MULLAPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether loans by National Bank for Agriculture and Rural Development (NABARD) to Kerala had been stopped during 1997-98;

(b) if so, the reasons therefor.

(c) whether projects financed by NABARD have suffered a lot as a result thereof ; and

(d) if so, the action taken by the Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) National Bank for Agriculture and Rural Development (NABARD) had reported that it had not stopped refinance to Kerala State during 1997-98. However during the year 1996-97, refinance was stopped for a brief period from 1st March 1997 to 27th March 1997, to Kerala State Co-operative Bank (KSCB) and Kerala State Cooperative Agriculture and Rural Development Bank (KSCARDB). In terms of one of the covenants of Memorandum of Understanding (MoU) entered into by NABARD with State Government /State Co-operative Bank, the State Government is required to have prior consultation with NABARD for replacing the Chief Executives of both KSCB & KSCARDB. Release of refinance under all lines of credit was suspended, both to KSCB and KSCARDB, as the State Government did not adhere to this stipulation. However subsequent to the discussions held with the State Government officials and on an assurance given by them that they would abide by the various covenants of MoU entered into with NABARD, refinance facilities were restored with effect from 28th March 1997.

Group Insurance Scheme

445. SHRIMATI SHEELA GAUTAM : Will the Minister of FINANCE be pleased to state :

(a) the details of the Group Insurance Scheme for the beneficiaries of the Integrated Rural Development Programme; and

(b) the amount paid as compensation under the scheme during each of the last three years, Statewise and the number of persons benefited therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The Life Insurance Corporation (LIC) of India have informed that the objective of the scheme is to provide insurance cover to the family of a person receiving Subsidy/Financial Assistance/Loan under the Integrated Rural Development Programme (IRDP). The scheme is implemented from 1.4.1988. A Separate fund has been set up by the Government of India for funding the scheme. The scheme is administered through District Rural Development Agency (DRDA) under Zila Parishad. All persons aged between 18 to 60 years receiving Subsidy/Financial Assistance/Loan under IRDP after 1.4.1988 are covered under the scheme. The amount payable prior to 1.1.1994 in case of natural death was Rs. 3,000 and in case of accidental death was Rs. 6,000 and from 1.1.1994 it has been increased to Rs. 5,000 and Rs. 10,000 respectively. No premium is charged from the beneficiary. The full premium is paid out of the fund set up by the Government of India with LIC as above. The Insurance cover terminates at the end of the five years or the beneficiary's completing 60 years of age whichever is earlier.

(b) The amount paid as compensation (including accidental death claims) and the no. of persons benefited therefrom during the last three years is as given below:

Year	No. of persons benefited	Amount paid as compensation
1995-96	11,251	Rs. 5.12 Cr.
1996-97	9,231	Rs. 5.27 Cr.
*1997-98	8,314	Rs. 4.09 Cr.

Figures are provisional as final data is under compilation.

The State wise information is given in the enclosed Statements-I to III.