

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:6797  
ANSWERED ON:10.05.2000  
NERAMAC A SICK UNIT  
S.S. PALANIMANICKAM

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether North-Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC) has been incurring losses right from its inception;
- (b) if so, the details of the accumulated losses till date;
- (c) whether the Corporation has become a sick unit and the matter has been referred to Board for Industrial and Financial Reconstruction (BIFR); and
- (d) if so, remedial measures proposed to be taken by the Government to revive this Corporation?

**Answer**

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES

(SHRI SYED SHAHNAWAZ HUSSAIN )

- (a): Except during 1983-84 and 1984-85, NERAMAC had been incurring losses since its inception in March, 1982.
- (b): NERAMAC had an accumulated loss of Rs.16.27 crores as on 31.03.1998. This accumulated loss of Rs.16.27 crores has been written off in terms of the revival package approved by the Government/BIFR in June 1999. The Corporation suffered a loss of Rs.61.10 lakhs during 1998-99.
- (c) & (d): The Corporation became sick and was referred to Board for Industrial & Financial Reconstruction (BIFR) during December, 1996. On the directions of BIFR and on the basis of a revival scheme prepared by Industrial Development Bank of India (IDBI), the Operating Agency appointed by BIFR, a package for the revival of NERAMAC was approved by the Government in February, 1999. The revival scheme, as approved by the Government, was also cleared by the BIFR in its final hearing held on 7th June, 1999.

The Rehabilitation scheme envisages upgrading of the existing facilities for Pineapple and Cashew processing plant, overhauling and maintenance of existing plant and machinery in PJC unit, addition of ginger processing plant, offering Voluntary Retirement Scheme to surplus employees, training of personnel and restructuring of balance sheet as on March 31st 1998, so as to bring down the accumulated losses as on that date to 'zero'. The details of the Sanctioned Scheme approved by the Government/BIFR are at Annexure.

**ANNEXURE**

**SANCTIONED REHABILITATION SCHEME OF NERAMAC**

**A. Cost of the sanctioned scheme :**

Item	Investment/Fund required (Rs. in crores)
1. a) Plant & Machinery	3.00
b) Misc. fixed assets/overhauling	0.75
2. Preoperative Expenses	1.00
3. Pressing Creditors	1.01
4. Training	0.22

5.	Contingencies	0.38
6.	Working Capital	3.20
7	VRS	0.80
	Total	10.36

B. Source of funding the sanctioned Scheme:

(Rs. Crores)

i)	Equity from Plan Budget of Min. of FPI (Ministry's own resources)	5.15
ii)	Arrears of subsidy from North Eastern Council (NEC)	4.41
iii)	National Renewal Fund (for implementing VRS)	0.80
	Total	10.36

C. Reliefs and Concessions:

- i) To write off the outstanding loan as on 31.03.98 amounting to Rs. 4.78 crores.
- ii) To write off the accumulated interest amounting to Rs. 7.27 crores as on 31.03.98;
- iii) To write off the capital subsidy amounting to Rs. 3.07 crores;
- iv) To write down the equity by Rs. 1.22 crores, (after writing down the capital, the Accumulated loss gets reduced to zero).
- v) Release of subsidy arrears amounting to Rs.4.41 crores by North Eastern Council (NEC).

NOTE : All the funds and reliefs/concessions under the Scheme have already been provided to NERAMAC.