

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:5748
ANSWERED ON:02.05.2003
NEW SUGAR FACTORIES IN KARNATAKA
IQBAL AHMED SARADGI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government of Karnataka has taken a decision on setting up new sugar factories in the State;
- (b) if so, the details of the norms set for the purpose;
- (c) the number of new sugar mills and factories that have been set up in the State;
- (d) the extent to which production of sugar has been increased in these factories in the State; and
- (e) the incentives provided by the Union Government to the State Government in helping the sugar factories to grow?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI S L MAHARIA)

(a),(b),(c)&(d): The sugar industry has been delicensed with effect from 11th September, 1998 and as such the entrepreneurs are free to set up new sugar factories in any part of the country keeping in view the techno-economic viability of their projects and maintaining a distance of 15 Kms from the existing sugar factories. As on 30.9.2002, there were 41 sugar factories in the State of Karnataka which produced 15.77 lakh tonnes of sugar during the sugar season 2001-2002.

(e): The Government of India do not provide any incentive/financial assistance to the State Governments for development/growth of sugar industry. However, financial assistance is provided to the sugar mills from the Sugar Development Fund for modernization/rehabilitation/ expansion and cane development schemes.