

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

UNSTARRED QUESTION NO:43

ANSWERED ON:05.07.2004

RELIEF TO SUGARCANE FARMERS AND SUGAR MILLS

Adhalrao Patil Shri Shivaji;Gadakh Shri Tukaram Gangadhar

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

- (a) whether 169 sugar factories in Maharashtra defaulted and are now facing closure due to Government policy of importing sugar;
- (b) if so, whether the Government propose to change its policy to importing sugar;
- (c) if so, by when it is likely to be implemented;
- (d) the other steps and incentives proposed by the Government for revival of the factories;
- (e) the total amount of Government/Bank investment in these factories; and
- (f) the total number of skilled and unskilled persons employed in these factories?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): The import of sugar is allowed under Open General License Scheme as per EXIM policy and has no bearing on closure of sugar mills. There has been no change in the policy in the recent past in so far as this aspect is concerned. As per information provided by the Government of Maharashtra, the number of mills defaulted for State Government guarantee on term loans from bank/financial institutions is 34 as on 31.03.2004.

(b): Does not arise.

(c): Does not arise.

(d): For revival of potentially viable sick undertakings, a scheme is sanctioned/recommended by the Board for Industrial and Financial Reconstruction or the Committee of Rehabilitation as the case may be. As part of the scheme, potentially viable sick sugar undertakings are eligible for loans for modernization of rehabilitation of plant and machinery and sugarcane development as per the Sugar Development Fund Rules, 1983.

(e): As per information provided by the Government of Maharashtra, the amount of Government/bank investment in 56 sick Cooperative Sugar Mills, is Rs.309.46 crores towards share capital and Rs.676.43 crores towards term loans.

(f): As per information provided by the Government of Maharashtra, the number of skilled and unskilled persons employed in these factories is about 4,000 and 17,000 respectively.