

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

UNSTARRED QUESTION NO:1853

ANSWERED ON:05.12.2005

REVITALISATION OF SUGAR INDUSTRY

Adsul Shri Anandrao Vithoba;Chitthan Shri N.S.V.;Pathak Shri Brajesh;Verma Shri Ravi Prakash

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

- (a) whether the Union Government has recently announced the revitalization package for ailing sugar industry in the country including co-operative sugar factories;
- (b) if so, the details thereof alongwith the number of mills identified therefor, State-wise;
- (c) the assistance proposed to be provided under the said scheme to each sugar mill, State-wise;
- (d) whether National Bank for Agriculture and Rural Development (NABARD) has also finalised any package for the sugar industry; and
- (e) if so, the details thereof and the mills identified therefor ?

Answer

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

(a), (b), (c), (d) & (e): In pursuance to the Finance Minister's Budget Speech for 2005-06 wherein it was announced that the sugar factories that have been operational in 2002-2003 sugar season will be assisted to restructure, a Committee was set up in NABARD to prepare a package of assistance for the sugar industry. Consequently, Government of India has decided that all Cooperative Sugar Mills in the country which have term loans outstanding as on 31.3.2005, and which are commercially viable and have adequate operational surplus to repay the said term loans will be categorized as falling under two Categories, i.e. Category A and Category B. Accordingly, the term loans will be restructured/rescheduled to enable repayment within five years (for Category A) or within 15 years (for Category B). The rate of interest on the restructured loans will be reduced to 10% per annum, with effect from 1st April, 2005, irrespective of the original contractual rate. Government of India will provide interest subvention on the restructured loan, which is estimated at Rs. 525 crores. All the Cooperative Sugar Mills in the country, irrespective of the State in which they are located can avail of the above financial assistance as per the terms and conditions of the package.