

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1375  
ANSWERED ON:05.03.2010  
SUGAR INDUSTRY  
Ganpatrao Shri Jadhav Prataprao

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

- (a) whether some sugar lobbies have requested for the inclusion of sugar industry within the scope of priority sector lending ; and  
(b) if so, the details thereof and the response of the Union Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMONARAIN MEENA)

(a) & (b): The Department of Food and Public Distribution in the Ministry of Consumer Affairs , Food and Public Distribution, had received pre-budget proposals from National Federation of Cooperative Sugar Factories Ltd., an apex body of Cooperative Sugar Industry. The proposal,, inter-aliaincludes that the credit allowed to sugar mills by banking sector may be classified as priority sector advance and the maximum rate of interest charged from sugar mills should be reduced to 9%. The Department of Food and Public Distribution has forwarded the proposal to Ministry of Finance for appropriate action.

The proposal will be examined in consultation with Reserve Bank of India.