

*The Lok Sabha re-assembled after lunch at fifteen minutes past fourteen of the clock*

[RAO RAM SINGH—in the chair]

**MATTERS UNDER RULES 377**

[English]

MR. CHAIRMAN: The House shall now take up matter under Rule 377. Shri M. Baga Reddy.

- (i) **Need for effective utilisation of Sugar Development Fund for Modernisation, expansion and rehabilitation Schemes in the Sugar Industry.**

SHRI M. BAGA REDDY (Medak): The Government of India, consequent on enactment of Sugar Development Fund Act 1982, set up Sugar Development Fund by levy of a cess of Rs. 14 per quintal of sugar produced by the sugar factories.

The Sugar Development Fund is created out of the cess collected from the industry which has increased the cost of sugar thereby effecting the free sale realisation to sugar mills. Hitherto, the Government of India was charging a concessional rate of interest of 6 per cent on the loans sanctioned to the sugar factories. However, the rate of interest has been increased by Government to 9 per cent with effect from 24-4-1991.

Since the Sugar Development Fund is created out of the cess collected

from the industry, there is no justification for imposing terms and conditions not favourable to the industry at this juncture which are coming in the way for the implementation of the schemes on hand. With the huge accumulation of about Rs. 600 crores with substantial accretion of about Rs. 150 crores per annum, the Government of India should help the industry in a big way for affective utilisation of the fund in implementing the modernisation, expansion and rehabilitation schemes in the sugar which is at low key with disbursement of about Rs. 100 crores per annum at present.

- (ii) **Need for early clearance of down Stream Projects for Naptha Cracker Unit at Vishakapatnam.**

SHRI RAMA KRISHNA KONATHALA (Anakapalli): I would like to draw the attention of the Government for early clearance of downstream projects for the Naptha Cracker Unit which is coming up at Visakhapatnam. It is learnt that without sanction of downstream projects, Naptha Cracker alone is not financially viable because Naptha Cracker produces raw material for down-stream products. In all other cases, i.e., Reliance Petro-Chemical, NOCIL, Indian Petro, the Government of India sanctioned the Naptha Cracker as well as downstream projects together. Secondly, in other cases Naptha is to be imported whereas in the case Naptha is available in Visakhapatnam refinery which results in saving of foreign exchange. This will be the single largest investment in the State of Andhra Pradesh