

Paswan pushes for sugar sector bailout, calls meet

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NEW DELHI: Food minister Ram Vilas Paswan has called a second high level meeting on Monday to discuss ways to bailout the ailing sugar industry, unable to pay ₹11,000 crore dues to sugarcane growers.

The meeting is likely to be attended by transport minister Nitin Gadkari, agriculture minister Radha Mohan Singh, commerce minister Nirmala Sitharaman, petroleum minister Dharmendra Pradhan, women and child development minister Maneka Gandhi and minister for small, medium enterprises, Kalraj Mishra.

At the first meeting, held on June 6, various steps to improve the liquidity of sugar mills were discussed. These included proposals for providing ₹4,400 crore additional interest-free loans to mills, hiking import duty by 40%



■ Ram Vilas Paswan.

PTI

and increase ethanol blending in petrol.

The sugar industry has been facing a cash crunch due to high costs of production and low selling prices, in the wake of surplus output over the past few years.

The industry fears are that domestic prices could fall further if cheaper imports are not curbed.

Cabinet secretary, Ajit Seth,

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is likely to attend the meeting being convened on the initiative of Prime Minister Narendra Modi, who has given clear cut directions to ensure that the sugar mills pay their arrears to the growers at the earliest.

With aims of improving the cash flow of sugar mills, the government approved ₹6,600 crore interest-free loans to the sugar industry exclusively for clearing sugarcane arrears in December last year.

It decided to give loans via banks equivalent to the excise duty paid by the mills in the past three years.

Hindustan Times

23/6/14

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