

No. 23(7)/2018-SP-I
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Food and Public Distribution

Krishi Bhawan, New Delhi
Dated the 10th July, 2018

To,

The Director General,
Indian Sugar Mills Association (ISMA),
Ansal Plaza, Block-C, 2nd Floor, August Kranti Marg,
New Delhi-110 049

The Managing Director,
National Federation of Cooperative Sugar Factories Ltd (NFCSF),
Ansal Plaza, Block-C, 2nd Floor, August Kranti Marg,
New Delhi-110 049

Subject: - Working Capital Loan against buffer stocks.

Sir,

As you are aware that in order to improve the liquidity of sugar mills, DFPD vide notification No. 1(6)/2018-SP-I dated 15.6.2018 has notified a Scheme for Creation and Maintenance of Buffer Stock of 30 LMT of sugar by the mills in the country for one year w.e.f. 1.7.2018.

2. Under the scheme Central Government is committed to reimburse the carrying cost in terms of interest, insurance and storage charges to sugar factories for maintenance of buffer stock. The sugar mills should avail working capital loans against such buffer stocks as the interest component is being reimbursed by the Central Government and the loan should be utilized to clear cane price arrears of farmers.

3. It is therefore, requested to advise your member mills to avail loan / credit limit against such quantity of buffer stock allocated to mills and utilize it for clearing pending cane price arrears of farmers.

Yours faithfully,


(Jitender Juyal)

Under Secretary to the Govt. of India
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