

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

UNSTARRED QUESTION NO:5056

ANSWERED ON:20.04.2001

CLOSURE OF SUGAR MILLS

CHANDRAKANT BHAURAO KHAIRE;RAMDAS ATHAWALE;T.M. SELVAGANAPATHI;V. SAROJA

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

- (a) the number of sugar mills lying closed in the country as on date;
- (b) the details thereof, State-wise;
- (c) the details of the steps initiated to revive sick sugar mills and reopen closed mills;
- (d) whether the Government propose to provide short term loans to sugar mills in addition to existing schemes to help farmers and sugar mills;
- (e) if so, the details thereof;
- (f) whether the Government has received any representation in this regard;
- (g) if so, the details thereof;
- (h) whether due to non-procurement of sugarcane by the sugar mills farmers had to burn their sugarcane crops; and
- (i) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a) & (b) : A statement showing the statewise number of sugar mills which did not work during the current sugar season 2000-2001 is at Annexure.

(c) The Government of India has taken the following steps to revive sick sugar mills/improve the health of sugar industry :-

1. The levy obligation of sugar mills which was reduced from 40% to 30% w.e.f. 1.1.2000, has been further reduced to 15% w.e.f. 1.2.2001.
2. To restrict the inflow of imported sugar in the country, custom duty has been increased to 60% w.e.f. 9.2.2000. The imported sugar has been brought under the release mechanism.
3. Monthly releases of freesale sugar are being made judiciously to ensure fair realization to sugar industry.
4. Export of 10 lakh tonnes of sugar has been permitted in the licensing year 2000-2001 (April-March).
5. Advanced releases of freesale sugar are being given to needy sugar mills to enable them to clear cane price dues of the farmers.
6. A Committee has been constituted under the Chairmanship of Secretary (F&PD) to examine the cases of sick Cooperative Sugar Mills and to recommend revival packages of potentially viable units.
7. The Government is considering to amend the Sugar Development Fund Rules, 1983 for providing financial assistance at concessional rate of interest to potentially viable sick sugar mills.

(d) & (e) : At present the Government is not considering to introduce any scheme to provide short term loans to the sugar factories for providing inputs to the farmers.

(f) & (g) : No, Sir.

(h) & (i) : No such incidence has come to the notice of this ministry.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO.5056 FOR ANSWER IN THE SABHA ON 20-4-2001.

STATEWISE NUMBER OF SUGAR MILLS WHICH DID NOT WORK DURING THE CURRENT SUGAR SEASON 2000-01.

(As on 28-2-2001)

State No. of Sugar Mills

Punjab	1	
Haryana	-	
Rajasthan	2	
Uttar Pradesh		17
Madhya Pradesh	3	
Gujarat	5	
Maharashtra	7	
Bihar		18
Assam	2	
Andhra Pradesh	7	
Karnataka	4	
Tamil Nadu	1	
Kerala	1	
Orissa	3	
West Bengal	-	
Nagaland	1	
Pondicharry	-	
Goa	-	
Total	72	