

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

UNSTARRED QUESTION NO:6036

ANSWERED ON:31.08.2001

REVIVAL OF SICK COOPERATIVE SUGAR MILLS

ASHOK NAMDEORAO MOHOL;CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK;SHIVAJI MANE

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

(a) whether the Union Government have set up High Powered Committee to examine the revival package of sick cooperative sugar mills;

(b) if so, the names of the sick cooperative sugar mills whose cases have been examined by the said Committee during the last three years and in the current financial year so far, along with the rehabilitation the package provided to each of them, State-wise and mill-wise;

(c) whether the Union Government have examined the reasons of the sickness of cooperative sugar mills and the financial and physical performance of these mills; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SREENIVASA PRASAD)

(a): Yes Sir, the Union Government have constituted a Committee under the Chairmanship of Secretary (F&PD) to examine the revival packages of potentially viable cooperative sugar units or merger of non-viable units with adjoining units of sick sugar mills on receipt of reference from State Governments/U.Ts.

(b): So far no case of a cooperative sugar mill has been approved by the Committee. Before the Committee could take up the revival packages of cooperative sugar factories, it is proposed to amend the Sugar Development Fund Rules, 1983 in order to provide for loan to potentially viable sick sugar undertakings at concessional terms and conditions for their rehabilitation. The necessary exercise in this regard is being carried out.

(c)&(d): The closure/sickness of cooperative sugar mills may be due to variety of factors such as inadequate cane availability, uneconomical size, old age and bad condition of plant and machinery, technical and managerial incompetence, excessive high cane price not commensurate with sale realization.