

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

UNSTARRED QUESTION NO:201  
ANSWERED ON:22.02.2011  
CONDITION OF SUGAR MILLS  
Balram Shri P.

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

- (a) the number of profit making, loss making and closed co-operative sugar mills in the country, State-wise;
- (b) the reasons for losses and closure of co-operative sugar mills in the States; and
- (c) the steps taken for reviving these mills and making them economically viable?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): The Directorate of Sugar in the Ministry of Consumer Affairs, Food & Public Distribution does not maintain data on profit and loss making sugar mills in the country. As regards closed co-operative sugar mills, 95 co-operative sugar mills in the country did not work and remained closed during the last sugar season 2009-10. The state-wise details are enclosed at Annexure

(b): The main reasons for losses/ closure of co-operative sugar mills are non-availability of adequate raw material, poor recovery from sugarcane, uneconomic size, lack of modernization, up-gradation and diversification, high cost of working capital, declaration of high State Advised Price (SAP) of sugarcane by some States, control of molasses, lack of professional management, overstaffing etc. A sugar mill including co-operative sugar mill may suffer losses or face closure due to one or the other reasons as aforesaid.

(c): It is the responsibility of the entrepreneur concerned to take necessary steps for revival of these sugar mills. However, Sugar Development Fund Rules, 1983, provide that a potentially viable sick sugar undertaking can take Sugar Development Fund (SDF) loan for (i) modernization or rehabilitation of plant and machinery and (ii) sugarcane development. The loan from the Fund should be recommended by the Committee of Rehabilitation (CoR) in the case of co-operative sector sugar mills which take up cases recommended by State Governments.