

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

UNSTARRED QUESTION NO:5455  
ANSWERED ON:06.09.2011  
SUGAR MILLS  
Patel Shri Natubhai Gomanbhai

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

- (a) the details of new sugar mills set up and older sugar mills revived/rehabilitated during each of the last three years and the current year along with the expenditure incurred thereon, State-wise;
- (b) whether some of the said mills have now become sick or closed down;
- (c) if so, the details thereof indicating the number of viable and sick sugar mills out of the above;
- (d) whether the Government has ascertained the reasons for the closure of the said mills;
- (e) if so, the details thereof;
- (f) whether the Government has taken any action against the officials and employees of such mills for negligence and inefficiency; and
- (g) if so, the details thereof?

**Answer**

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

- (a): As per the information available with the Central Government, the details of new sugar mills set up during the last three sugar seasons and current sugar season, State-wise is enclosed at Annexure-I. Government of Karnataka and Tamil Nadu have reported that three sugar mills have been revived/rehabilitated during each of the last three years and the current year and an expenditure of Rs. 62.5 crores have been incurred. Similarly, Government of Bihar has reported that two sugar mills have been revived with a project cost of Rs. 713.52 crores.
- (b): No such reports have been received by the Central Government.
- (c): Does not arise.
- (d) & (e): The reasons for closure/sickness of the sugar mills, generally, are non-availability of adequate raw material, poor recovery from sugarcane, uneconomic size of the plant, lack of modernization/up gradation and diversification, high cost of working capital, declaration of high State Advised Price (SAP) of sugarcane by some States, lack of professional management, overstaffing, etc.
- (f) & (g): The Central Government does not hold any equity in any of the sugar mills in the country. Therefore, it is the responsibility of the concerned managements, which could be State Government/UTs in case of cooperative sector sugar mills, to take action against the officials and employees of such mills for negligence and inefficiency.