

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

STARRED QUESTION NO:288
ANSWERED ON:23.08.2011
CLOSED SUGAR MILLS
Jaiswal Shri Gorakh Prasad

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

- (a) whether a number of sugar mills in the country are sick and lying closed;
- (b) if so, the details thereof and the number of sick and closed sugar mills in the country during the last two years and the current year, State-wise;
- (c) the reasons for the sugar mills going sick and those closed down;
- (d) whether the Government has taken any steps to re-open/revive the said sugar mills; and
- (e) if so, the details thereof alongwith the achievements made therein during the said period, State-wise?

Answer

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

(a) to (e): A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 288 DUE FOR ANSWER ON 23.08.2011 IN THE LOK SABHA.

(a) & (b): The details of sugar mills, State-wise, which did not work and remained closed during the last two sugar years (October - September) and the current year is enclosed at Annexure-I. The detail of sick sugar mills, State-wise, is at Annexure-II.

(c): 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.

(d) & (e): The Central Government has de-licensed sugar industry vide Press Note dated 31st August, 1998. It is responsibility of the entrepreneurs, concerned, to take steps to re-open / revive the closed/ sick sugar mills as far as private sector is concerned and the state Governments/ UTs, concerned, in the case of the public and cooperative sector sugar mills. level of Central Government, the Sugar Development Fund Rules, 1983, provide for concessional loans for modernization or rehabilitation of plant and machinery and sugarcane development as well as restructuring of SDF loans of the potentially viable sick sugar undertakings. In addition, Central Government introduced interest subvention facility of 3% for the restructuring of the term loans of the commercially viable Cooperative sugar mills through National Bank for Agriculture and Rural Development (NABARD) from 2005-06 financial year.