

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

UNSTARRED QUESTION NO:845

ANSWERED ON:14.08.2012

REVIVAL OF SUGAR MILLS

Joshi Shri Pralhad Venkatesh;Singh Shri Mahabali

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

- (a) whether a number of sugar mills in the country including Bihar have become sick or are lying closed;
- (b) if so, the details thereof and the reasons therefor along with the time since when they are lying closed/sick indicating the number of operational, sick and closed sugar mills in the country, State-wise and sector-wise;
- (c) whether the Government has formulated any scheme for the revival of the said mills; and
- (d) if so, the details thereof along with the mills identified for revival, State-wise and sector-wise?

Answer

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

(a) & (b): A statement indicating the details of operational, sick and closed sugar mills in the country (including Bihar), state-wise and sector-wise during 2011-12 sugar season is at Annexure. Information regarding the time from which sugar mills are lying closed /sick is not centrally maintained. The closure could be permanent/temporary and the sugar mills which have remained closed during the current sugar season, have been indicated in the annexure. The reasons for closure/ sickness of the sugar mills could possibly be the non-availability of adequate sugarcane, poor recovery from sugarcane, uneconomic size, lack of modernization, up-gradation and diversification, high cost of working capital, lack of professional management, overstaffing etc.

(c)&(d): It is responsibility of the entrepreneur 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 sugar mills. At the 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 restructuring of the term loans of the commercially viable cooperative sugar mills through National Bank of Agriculture and Rural Development (NABARD) from financial year 2005-06.