

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

UNSTARRED QUESTION NO:743  
ANSWERED ON:10.12.2013  
SUGAR MILLS  
Agarwal Shri Rajendra

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

- (a) whether several sugar mills in the country have either become sick or were closed down during the last three years and the current year and if so, the details thereof, State-wise;
- (b) whether the Government has made any assessment of the reasons for the sickness/closure of sugar mills and the problems being faced by the sugar industry;
- (c) if so, the details and the outcome thereof along with the remedial measures taken by the Government in this regard;
- (d) whether the Indian Sugar Mills Association has requested the Government to make a clear cut and firm policy for the export of sugar; and
- (e) if so, the details thereof and the reaction of the Government thereto?

**Answer**

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

(a) A statement indicating details of closed sugar mills during last three sugar seasons i.e. 2010-11, 2011-12 & 2012-13 in the country is at Annexure- I. The information regarding the closed sugar mills for the current sugar season i.e 2013 -2014 would be known at the end of the crushing season. The State-wise number of sick sugar mills as on 30.11.2013 is at Annexure-II.

(b)&(c) The reasons for closure/ sickness of the sugar mills could possibly be 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.

It is the responsibility of the entrepreneur concerned to take steps to re-open/revive the closed /sicksugar mills as far as private sector is concerned and State Government/UTs concerned in the case of the public and cooperative sugar mills. The Government, under the Sugar Development Fund (SDF), provides for concessional loans for modernization or rehabilitation, bagasse based cogeneration power projects, production of ethanol and sugarcane development as well as restructuring of SDF loans of the potentially viable sick sugar undertaking.

(d)&(e) Presently, export of sugar is free subject to registration of quantity with Directorate General of Foreign Trade (DGFT). However, ISMA vide their representation dated 24.09.2013 has, inter-alia, requested for removal of controls on export of sugar including increase in registration quantity and removal of penalty on account of default in export of registered quantity. The Government has since enhanced the registration quantity from 25000 MT to 50000 MT with effect from 12th November, 2013.