

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

UNSTARRED QUESTION NO:6283

ANSWERED ON:05.05.2015

MILLS IN TERAJ REGION

Misra Shri Ajay (Teni)

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

(a) whether a number of small rice and sugar mills in the terai region have closed down affecting the livelihood of a large number of persons and farmers; and

(b) if so, the details thereof and the steps taken to revive these units?

**Answer**

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAM VILAS PASWAN)

(a) & (b) Yes, Madam, 35 small sugar mills in the terai region has been closed down, however, no information has come to notice of this ministry about closure of small rice mills in terai region. The reason 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.

As regards revival of potentially viable sick sugar undertakings, it is the 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 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.