

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

STARRED QUESTION NO:80
ANSWERED ON:24.11.2009
CLOSED SUGAR MILLS
Bhagat Shri Sudarshan;Yadav Shri Om Prakash

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

- (a) the number of sugar mills in operation and closed, State-wise and sector-wise including Bihar;
- (b) whether a large number of mills have been closed down over the years in the country including Bihar;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether any technical/financial assistance is being provided to revive these mills and equip them with latest machinery;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c), (d) (e) & (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE STARRED QUESTION NO.80 DUE FOR ANSWER ON 24.11.2009 IN THE LOK SABHA.

(a): A Statement showing State-wise and Sector-wise number of sugar mills in operation and sugar mills which did not function in 2008-09 sugar season (October-September) including Bihar, as on 30.09.2009, is annexed at Annexure I.

(b) &(c): The number of sugar mills which did not function during sugar season 2008-09 is 150.The main reasons for closure of these sugar mills could be non-availability of adequate sugarcane, poor recovery from sugarcane, uneconomic size, lack of modernization, upgradation and diversification, high cost of working capital, declaration of high State Advised Price (SAP) of sugarcane by some States, control over molasses, lack of professional management, overstaffing etc.

(d),(e)&(f): It is responsibility of the entrepreneur concerned to take steps to restart the closed sugar mills. However, Sugar Development Fund Rules, 1983, provide that a potentially viable sick sugar undertaking can take loan from Sugar Development Fund (SDF) for (i) modernization / rehabilitation of plant and machinery and (ii) sugarcane development. The loan from the Fund should be recommended by the Board for Industrial and Financial Reconstruction (BIFR) for sugar mills in private and public sector or the Committee of Rehabilitation (CoR) which has been set up in the Department of Food and Public Distribution to consider cases of sugar mills in cooperative sector.