

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

UNSTARRED QUESTION NO: 3526

ANSWERED ON:10.08.2021

Closed Sugar Mills

Poonamben Hematbhai Maadam

- (a) whether around 217 sugar mills are lying closed at present;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has made any efforts to revive these mills;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

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

ANSWER

A N S W E R

MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SADHVI NIRANJAN JYOTI)

(a)&(b): Presently, there are 756 installed sugar mills in the country. Out of 756 installed sugar mills, 250 sugar mills are lying closed. The state wise details of closed sugar mills in major sugar producing states are as under:

Sl. No.	Name of state	Number of closed sugar mills
1	Uttar Pradesh	38
2	Maharashtra	66
3	Bihar	18
4	Gujarat	14
5	Karnataka	22
6	Haryana	2
7	Punjab	8
8	Tamilnadu	18
9	Other States	64
	Total	250

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Non-operation/closure of the sugar mill is normally attributable to non-availability of adequate sugarcane, uneconomic size of plant, lack of modernization, high cost of working capital, poor recovery from sugarcane, lack of professional management, overstaffing, financial crunch and lack of adequate irrigation in the catchment area of sugar mill etc.

(c) to (e): As regards revival of closed sugar mills, in case of private sector sugar mills, it is the responsibility of the entrepreneurs to take necessary steps to operationalise their closed sugar mills, and in case of co-operative/public sector sugar mills, the responsibility lies with the co-operative societies/respective state governments. The Government of India has taken various interventions from time to time viz provided financial assistance to sugar mills to offset the cost of cane, financial assistance for maintenance of buffer stocks, financial assistance to facilitate export of sugar, extended soft loans to sugar mills, fixation of minimum selling price of sugar etc. Due to such interventions, sugar sector survived and many sugar mills are prevented from closure. Various state governments have also taken steps to operationalise the potential non-operational sugar mills of their states, which are given at Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (c) TO (e) OF THE UNSTARRED QUESTION NO. 3526 DUE FOR ANSWER ON 10.08.2021 IN LOK SABHA.

StateSteps taken

Uttarakhand

It is proposed to operate one sugar mill of cooperative sector namely Sitarganj for the next sugar season. Government of Uttarakhand has decided to give sugar mill in the long term lease and necessary exercise is in progress.

Maharashtra

The State Government has passed the Resolution on 04.09.2020 and framed criteria to rejuvenate non-operational sugar mills and its allied units on hire, partnership or collaboration basis.

Bihar

The Government of Bihar has taken a policy decision to revive the sick sugar mills of the Bihar State Sugar Corporation Ltd. by transferring them to private/public sector entrepreneurs on long term lease through bid process management. Through these bid process management, out of the 15 sugar mills, 2 sugar mills namely Lauriya (West Champaran) and Sugauli (East Champaran) have been reconstructed and revived by HPCL Biofuel Ltd. and they have become operational. Other 5 sugar mills namely Bihta, Motipur, Raiyam, Samastipur and Sakri have also been settled through the bid process, of which Motipur and Ryam is in the process of revival as sugar units and Bhita & Samastipur unit as other industries, through their successful bidders.

Andhra Pradesh

In respect of the Cooperative sugar mills, Group of Ministers is formed to study and suggest measures for the improvement of the mills in Andhra Pradesh. The Group of Ministers is visiting the cooperative sugar mills to study the ground level constrains of the mills to suggest alternate remedies.

Karnataka

There are 5 sick co-operative sugar factories which are non-operational. Sugar factories are defunct due to shortage of working capital, administrative problems, financial difficulties and other reasons. In the interest of sugarcane farmers and employees of factories, Government of Karnataka has taken a decision to lease out the sick cooperative sugar factories to private entrepreneur on long-term lease under "As is where is" basis. This is present policy of the State Government. In Karnataka 8 cooperative sugar factories have been leased out to private entrepreneur so far. One sugar factory of public sector and two of cooperative sector have also been proposed for lease; and lease process is under progress.

Gujarat

In the current financial year 2020-21 the State Government of Gujarat has sanctioned liquidity support loan for Rs. 25 Crore to Vadodara District Cooperative Sugarcane Growers Union Ltd., to pay sugarcane arrears to the farmers to survive this non operational industry. Gujarat Government also gives 30% share capital contribution of total project cost for new cooperative sugar mill. At present kaveri vibhag sahakari khand udyog mandli and damanganga cooperative sugar industry are under construction and till date the state government sanctioned proportionate share capital as per the resolution.
