

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

RAJYA SABHA
UNSTARRED QUESTION NO.2749
TO BE ANSWERED ON 25TH MARCH, 2025

REVITALIZATION OF SICK SUGAR MILLS

2749 **SHRI KUNWAR RATANJEET PRATAP NARAYAN SINGH:**

Will the Minister of *Consumer Affairs, Food and Public Distribution* be pleased to state:

- (a) the detailed data on the funds sanctioned and disbursed to revitalise the sick sugar mills in the last five years;
- (b) the measures taken to modernise and improve the financial sustainability of the sick sugar mills;
- (c) whether Government is taking steps to ensure the viability of sugar mills while protecting the farmers' interests, and if so, the details thereof; and
- (d) the steps taken to address the challenges of sick sugar mills, such as reducing overstaffing, lack of professional management and high cost of working capitals in 2024 particularly in Kushinagar?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(**SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA**)

(a) to (c): Under Sugar Development Fund Act, 1982, financial assistance in the form of SDF loans were given to sugar mills, *inter-alia*, for Modernisation Cum Expansion of sugar mill, Cane Development, Bagasse-Based Cogeneration power projects, production of Ethanol & Zero Liquid Discharge (ZLD) plant. However, the SDF loan schemes have been closed on 21.09.2021.

Government has also issued revised guidelines on 28.02.2024 for Restructuring of SDF loans under Rule 26 of SDF Rules. Under this, a potentially viable sick sugar undertaking may apply for restructuring of SDF loan as per applicable eligibility criteria which also includes the provision of One Time Settlement (OTS). Waiver of additional (penal) interest in full is given to the eligible sugar factories under the restructuring scheme as well as OTS.

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The Central Government has also provided financial assistance in the form of Interest subvention *inter alia* for setting up of ethanol plants with sugar mills under various ethanol interest subvention schemes notified from 2018 to 2022.

Under various ethanol interest subvention schemes, Rs. 1535 crores has been released to NABARD for payment of interest subvention to eligible sugar mills/grain based plants (as on 28.02.2025) to eligible sugar mills including grain based plants.

Production of ethanol by sugar mills has created an additional source of revenue thereby improving the financial condition of the sugar industry.

Also, Sugarcane farmers are being adequately rewarded by means of Fair and Remunerative Price (FRP) of sugarcane. FRP is linked to a basic recovery rate of sugar, with a premium payable to farmers for higher recoveries of sugar from sugarcane.

(d): Reducing overstaffing, lack of professional management and high cost of working capitals is a subject matter of each individual mill. However, Govt. of Uttar Pradesh has reported that they facilitate the sugar mills under the Sugarcane Development Program, training in modern sugarcane farming, improved seeds of new sugarcane varieties and agricultural investment so that sugarcane productivity and production increases, ultimately ensuring adequate availability of sugarcane to sugar mills.

In Kushinagar district, 1,000 sugarcane farmers were given training in modern sugarcane farming through Sugarcane Research Centre in the year 2023-24. 4,675 quintals of improved seeds from the Research Centre for New Sugarcane Varieties, 9,802 quintals of base seeds from the base nursery and 54,070 quintals of primary / certified seeds from the primary nursery were distributed to the Sugarcane farmers. Apart from the above, agrochemicals have been made available as agricultural inputs to 4,834 sugarcane farmers for seed/soil treatment and ratoon management.
