

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 1133
TO BE ANSWERED ON 29th JULY, 2026

COOPERATIVE SUGAR MILL IN TARN TARAN

1133: SHRI SATNAM SINGH SANDHU:

Will the Minister of COOPERATION be pleased to state:

- (a) whether Government has undertaken any assessment of the operational and financial status of cooperative sugar mills in Punjab including the Shero cooperative sugar mill in Tarn Taran;
- (b) whether any proposal has been received from Government of Punjab regarding the revival, modernization or restructuring of closed or stressed sugar mills in the State, if so, the details thereof;
- (c) whether the Union Government proposes to extend financial, technical or institutional support for the revival and modernization of cooperative sugar mills under any Central scheme; and
- (d) the steps being taken to safeguard the interest of sugarcane farmers dependent upon such cooperative sugar mills?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

- (a) The Ministry of Cooperation carried out a study on understanding the scope of improvement of efficiency in sugar cooperatives but not specific to cooperative sugar mills in Punjab including the Shero cooperative sugar mill in Tarn Taran.
- (b) No such proposal has been received in this Ministry.

(c&d) National Cooperative Development Corporation (NCDC), a statutory organization under the administrative control of Ministry of Cooperation provides financial assistance for the revival and modernization of cooperative sugar mills either directly to the Cooperative Sugar Mills (CSMs) or through the State Government for passing on the same to CSMs, with due-diligence and subject to the viability of the project as per NCDC guidelines.

Ministry of Cooperation, to alleviate the operational & financial distress of Cooperative Sugar Mills, had formulated a scheme namely “Grant-in-aid to NCDC for strengthening of Cooperative Sugar Mills (CSMs)”. Under this scheme one time grant of Rs.1000.00 crore was provided to National Cooperative Development Corporation in two instalments of Rs.500.00 crore each in FY 2022-23 & FY 2024-25 for the purpose of borrowing additional fund from the market for providing loans of Rs.10,000 crore to Cooperative Sugar Mills for setting up of Ethanol plant / Cogeneration plant and for meeting their working capital requirement. Under the scheme, NCDC disbursed Rs.10,005 crore to 56 CSMs, in the country up to 31.03.2025.
